

July 07, 2025

BSE Limited

Corporate Relationship Department
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

BSE Scrip Code: 524000

National Stock Exchange of India Limited

The Listing Department,
Exchange Plaza,
Bandra- Kurla Complex, Bandra (East),
Mumbai - 400 051.

NSE Symbol: POONAWALLA

Dear Sir / Madam,

Subject: Notice of Annual General Meeting and Annual Report for the Financial Year 2024-25.

Reference: Regulation 30, 34 50 & 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

This is in furtherance to our letter dated April 25, 2025, we hereby inform you that the 45th Annual General Meeting ("AGM") of the Company will be held on Tuesday, July 29, 2025, at 03:00 P.M through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 30, 34, 50 and 53 read with Paragraph A of Part A of Schedule III of SEBI Listing Regulations, we are enclosing herewith the following:

- I) Annual Report of the Company for the Financial Year (FY) ended March 31, 2025.
- II) Notice of the AGM of the Company (including e-voting instructions).

The Annual Report for the FY 2024-25 and the Notice of the AGM is available on the Company's website at the link i.e., <https://poonawallafincorp.com/investor-financials>

Further, in compliance with circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI Circulars"), copies of the Annual Report for the FY 2024-25 and Notice of the AGM of the Company (including E-voting instructions) are being sent through electronic mode to all the Members whose email addresses are registered with the Registrar and Share Transfer Agent viz. MUFG Intime India Private Limited(Formerly known as Link Intime India Private Limited) or the Depository Participant(s).

Further in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter will be sent to the shareholders whose e-mail addresses are not registered with the Registrar and Share Transfer Agent /Depository Participants, providing a web-link from where the Annual Report for the FY 2024-25 can be accessed on the website of the Company.

Book Closure Notice: Pursuant to the provisions of Section 91 of the Companies Act, 2013 and the Rules framed thereunder, Notice is hereby given that the Register of Members and Transfer Books of the Company will remain closed from Wednesday, July 23, 2025 to Tuesday, July 29, 2025 (both days inclusive) for the AGM.

Poonawalla Fincorp Limited

CIN: L51504PN1978PLC209007

Corporate Office: Unit No. 2401, 24th Floor, Altimus, Dr. G. M. Bhosale Marg, Worli, Mumbai, Maharashtra - 400018 **T:** +91 22 47733220

Registered Office: 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411 036 **T:** +91 20 67808090

E: secretarial@poonawallafincorp.com | **W:** www.poonawallafincorp.com

Cut-off date and E-voting details: Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and read with MCA Circulars and SEBI Circulars, the Company is pleased to provide all its Members the facility to exercise their vote electronically at the AGM of the Company, on all resolutions set forth in the Notice of the AGM.

Members of the Company holding shares either in physical or in dematerialized form as on the cut-off date, i.e., Tuesday July 22, 2025, may exercise their votes electronically. The voting rights of Members shall be in proportion to their share in paid up equity capital of the Company as on Tuesday, July 22, 2024 ("cut-off date"). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained with the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. **The remote e-voting period begins on Friday, July 25, 2025, at 09:00 A.M. (IST) and ends on Monday, July 28, 2025, at 05:00 P.M. (IST).**

The Company is providing VC/OAVM through National Securities Depository Limited ("NSDL") platform for the Members to participate in the AGM. Members may access the same at <https://www.evoting.nsdl.com> through the same login credentials provided to them for e-voting. Further, the detailed instructions for e-voting, participation in the AGM through VC and remote e-voting have been provided in the Notice of the AGM.

We hereby request you to take the above information on record.

Thanking You,

Yours faithfully,

For Poonawalla Fincorp Limited

SHABNUM ZAMAN
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SHABNUM ZAMAN
Date: 2025.07.07
22:32:28 +05'30'

Shabnum Zaman
Company Secretary
ACS-13918

Enc: A/a

Poonawalla Fincorp Limited

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POONAWALLA
FINCORP

ASSETS	
Current assets	2,000
Petty cash	100
Temporary Investment	10,000
Accounts receivable	40,000
Inventory	31,000
Supply	3,800
Prepaid Insurance	1,500
Total current assets	88,400
INVESTMENT	36,000
PROPERTY PLANT AND EQUIPMENT	
Current assets	2,000
Petty cash	100
Temporary Investment	10,000
Accounts receivable	40,000
Inventory	31,000
Supply	3,800
Prepaid Insurance	1,500
Total current assets	88,400



Sustainable.
Predictable.
Productive.

Annual Report 2024-25

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Contents

CORPORATE OVERVIEW

ABOUT THE COMPANY

- 04 About Poonawalla Fincorp Limited
- 08 Business Model
- 10 Story 1 - Creating Customer Delight
- 14 Our Business
- 16 Story 2 - Business Expansion through Product and Distribution Growth
- 22 Phygital Distribution for Nationwide Reach
- 26 Story 3 - Innovation through Industry-first Offerings
- 30 Our Growth Journey
- 32 Board of Directors
- 36 Management Team

PERFORMANCE REVIEW

- 38 Message from the Chairman
- 40 Message from the Managing Director and CEO
- 42 Key Performance Indicators
- 44 Story 4 - Capital Strength and Diversified Borrowings

GROWING WITH OUR STAKEHOLDERS

- 48 Operating environment
- 52 Strategic roadmap
- 60 Story 5 - Scaling Efficiencies with AI-led Execution

RISK MANAGEMENT

- 64 Story 6 - Superior Risk Governance
- 68 Risk Management and Compliance
- 70 Cybersecurity and Data Protection

SHAPING RESPONSIBLE FINANCE

- 72 Sustainability and ESG Commitments
- 74 Environment
- 76 Social
- 78 People
- 82 Governance
- 84 Story 7 - People-first Culture Focused on Performance and Development
- 88 Leadership, Culture and Accountability

WINNING WITH PURPOSE

- 90 Industry Awards and Accolades

STATUTORY REPORTS

- 92 Board's Report
- 117 Management Discussion and Analysis
- 136 Report on Corporate Governance
- 186 Business Responsibility and Sustainability Report

FINANCIAL STATEMENTS

- 230 Standalone and Consolidated Financial Statements
- 434 Corporate Information
- 435 List of Policies
- 437 Glossary
- 440 Notice of Annual General Meeting (AGM)

Poonawalla Fincorp Limited, part of the Cyrus Poonawalla Group, is a Non-Banking Financial Company focused on consumer and MSME finance. The Company's financial services offerings include pre-owned car finance, personal loans, loans for professionals, business loans, loans against property, machinery loans, education loans, commercial vehicle loans, shopkeeper loans, gold loans, and consumer durable loans. With a strong focus on technology and innovation, we aim to unlock opportunities and support the growth of our customers.

NSE: POONAWALLA

BSE: 524000

KEY HIGHLIGHTS FY 2024-25

₹35,631 Crore Assets under Management 42.5% YoY		₹8,124 Crore Shareholder's Fund
1.84% Gross Non-Performing Assets	₹2,708 Crore Net Interest Income (incl other income)	
22.94% Capital to Risk-weighted Assets Ratio (CRAR) Regulatory Requirement: 15%		3.2X Debt-to-Equity Ratio
21.67% Tier-1 Capital Adequacy	₹1,417 Crore Pre-Provision Operating Profit	
₹960 Crore Raised via NCDs \$175 Mn (~₹1,477 Crore) raised via ECBs		₹4,686 Crore Surplus Liquidity

All financial figures presented herein reflect FY 2024-25 results and are based on standalone financial statements.

Sustainable. Predictable. Productive.

This year has been a transformative journey towards strengthening the strategic building blocks, including people, products and distribution, risk management, technology analytics, and AI, with the aim of creating an organisation that is sustainable, predictable, and productive. Our focus has been on building businesses to drive AUM growth and profitability, thereby creating value for our stakeholders.

As we advance our efforts to becoming a multi-product lender with the launch of six new businesses, we remain focused on diversifying risk through these businesses and creating to become a profitable model for years. We continue to build a culture driven by high performance and high intensity by embedding the mindset of an athlete into our workplace for continuous improvement.

This culture of resilience and determination is complemented by our deep commitment to technology, creating a strong competitive edge. We continue to drive innovation through our key emerging differentiators—AI, digital journeys, and risk analytics. These are backed by the strong expertise of our seasoned leadership across products and risk, and by high standards of audit and compliance.

As we look to the future, we are well-poised and ahead of the curve for sustained growth. Our priorities are clear, and we have outlined a well-defined roadmap of our strategic building blocks, backed by well-calibrated risks.

STRATEGIC PILLARS OF VALUE CREATION

CREATING CUSTOMER DELIGHT

We are building a customer-first ecosystem driven by speed, simplicity and accessibility. Enhancements include QR-based referrals, and instant credit checks via CIBIL and Experian. Our website has been redesigned with the objective of enhancing customer-friendliness through an intuitive user interface and seamless navigation. The self-serve portal enables customers to easily access all the information they need regarding their ongoing loans. A generative AI chatbot has been implemented on the website to assist customers with their queries and provide personalised support. Planned upgrades include Real-time hyper-personalised journeys based on behavioural insights, predictive models and multi-language support.

[Read more on 10](#)

BUSINESS EXPANSION THROUGH PRODUCT AND DISTRIBUTION GROWTH

We launched six new businesses targeting salaried professionals, self-employed individuals, students and small business owners. New Products include PL Prime, Education Loans, Commercial Vehicle Loans, Consumer Durable Loans, Shopkeeper Loans, Gold Loans.

We are expanding our distribution by launching 400 Gold loan branches by March 2026, that will strengthen reach across Tier-2 and Tier-3 locations. The portfolio maintains a balanced mix of secured and unsecured lending for scale and stability.

[Read more on 16](#)

INNOVATION THROUGH INDUSTRY-FIRST OFFERINGS

We introduced industry first 24x7 digital personal loan for prime salaried customers and will be extended to 24x7 Business Loan for self-employed professionals. These digital journeys use in-house AI models, alternate data, and intelligent workflows for real-time, paperless credit decisions. This innovation enhances accessibility, improves customer convenience and deepens engagement, positioning us as a leader in digital-first lending solutions.

[Read more on 26](#)

CAPITAL STRENGTH AND DIVERSIFIED BORROWINGS

We maintained a strong financial profile with a AAA credit rating and capital adequacy of 22.94%, including Tier 1 at 21.67%. In April 2025, we raised ₹1,525 Crore via NCDs, increasing share of long-term borrowing and strengthening liquidity.

[Read more on 44](#)

SCALING EFFICIENCIES WITH AI-LED EXECUTION

Our AI-first approach is embedded across functions. Over 25 AI-led projects (7 delivered and 18 underway) are improving productivity across functions. We are using intelligent automation, digital workflows and predictive analytics to drive operating leverage, system-led processes and scalable execution. A revamped AI-powered website and MarTech stack are transforming customer acquisition and service.

[Read more on 60](#)

STRONG RISK AND GOVERNANCE FRAMEWORK

We have significantly augmented the risk management framework. Our risk-first approach will ensure prudent asset quality, driving sustainable growth. Advanced analytics and AI-led systems have reduced first EMI bounces and improved collection efficiency with human oversight. We are leveraging multiple solutions at a cohort level, driven by varied sources of information including credit history, alternate data, banking information via account aggregator, GST, etc. Our in-house calibrated models are further strengthening the credit risk management framework, supporting decision around auto rejection, differential credit swim lanes, tighter deviation control, exposure limits and pricing which has resulted in improvement in credit costs and reduction in slippages. GNPA and NNPA remained at 1.84% and 0.85% respectively.

[Read more on 64](#)

PEOPLE-FIRST CULTURE FOCUSED ON PERFORMANCE AND DEVELOPMENT

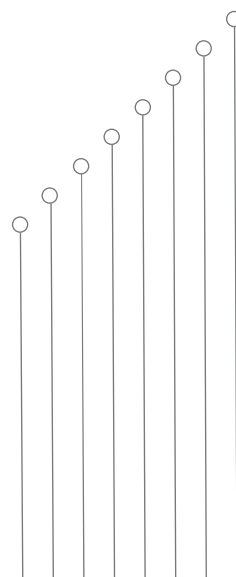
We are promoting an agile, inclusive and empowered workforce through digital tools and leadership programmes. These include AI-driven recruitment and envisaged projects such as sentiment tracking, attrition prediction at candidate level and real time employee query resolution. Our collaborative culture promotes transparency, accountability and continuous learning—equipping teams to deliver with speed and purpose in a dynamic operating environment.

[Read more on 84](#)

About Poonawalla Fincorp Limited

Simplifying Lending. Creating Customer Delight. Enhancing Experiences.

Poonawalla Fincorp is a technology-led, customer-first NBFC, backed by the legacy and trust of the Cyrus Poonawalla Group. We focus on delivering responsible credit across consumer and MSME segments, guided by a strong risk-first and governance-first approach. Our diversified lending portfolio spans across secured and unsecured products designed to meet the evolving needs of our customers.



₹35,631
Crore AUM

3,594
Employees

62.53%
Promoter Holding

AAA/Stable
CRISIL and CARE Rating

20
States and Union Territories Covered

PRODUCT PORTFOLIO



CONSUMER LENDING

- Digital Personal Loans
- Professional Loans
- Pre-owned Car Loans
- PL Prime
- Education Loans
- Consumer Durable Loans
- Gold Loans



COMMERCIAL LENDING

- Business Loans
- Loan Against Property (LAP)
- Machinery and Medical Equipment Loans
- Mid-market and NBFC Lending
- Shopkeeper Loans
- Commercial Vehicle Loans

OUR VISION

To be the Most Trusted Financial Services brand

Trust

Denotes legacy and brand promise

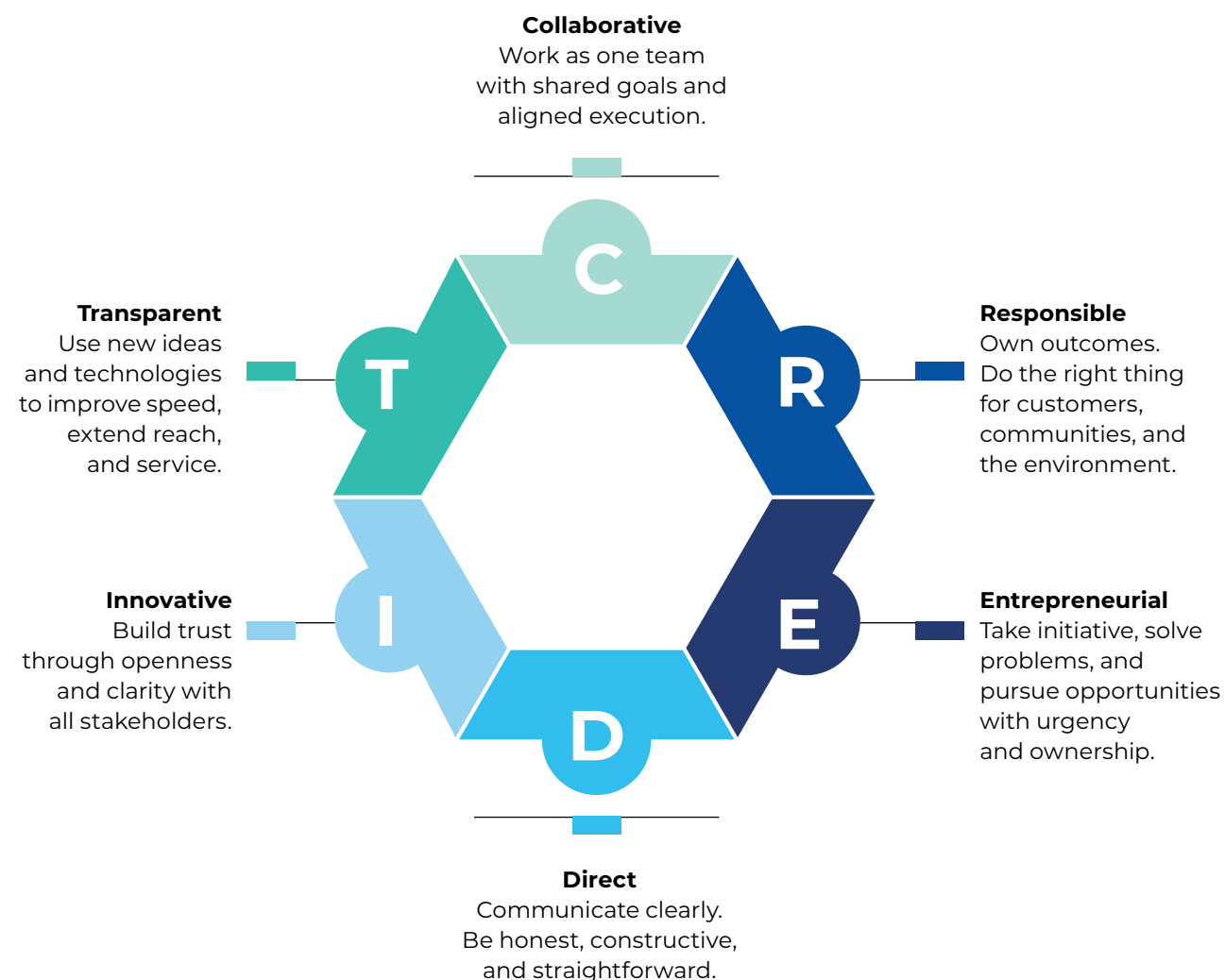
Financial Services

Holistic term that broadly defines the current and future business Expansion

OUR MISSION

To help our customers succeed financially, and our values guide everything we do: Ethics, Integrity, Inclusion, Teamwork and strive to be the financial partner of choice for our customers, aiming to make a positive impact in our communities.

OUR VALUES – C.R.E.D.I.T.



SECTION	FOCUS AREA	KEY POINT
Standing Out in a Competitive Environment	AUM Growth	Our AUM has consistently shown robust growth quarter on quarter
	Digital-First Approach	Our digital-first strategy has increased customer acquisition, scale, and efficiency, streamlining operations across the Board
	Risk-First Approach	Risk Management is integrated into our strategy. 360° view of risk is embedded into decision-making processes and fully aligned with our growth model
	Governance-First Approach	Reinforced governance at every level of our operations. Holding the highest standards of corporate governance
	Customer-First Approach	Prioritising customer-centricity, leveraging digital innovations and streamlining processes to enhance the overall customer experience
We Have Built an Engine that is	Scalable	Well-positioned for next growth phase
	Sustainable	Built-in risk mitigation strategies
	Resilient	Risk-calibrated onboarding, consistent performance across cycles
	Efficient	Productivity optimisation is a core driver
	Experiential	Focused on delivering enhanced customer experiences
Outcome	Sustainable, Predictable and Productive Business	

POONAWALLA FINCORP

LOAN

COMPANY

QUICK PAY

RESOURCES

LOGIN

APPLY NOW

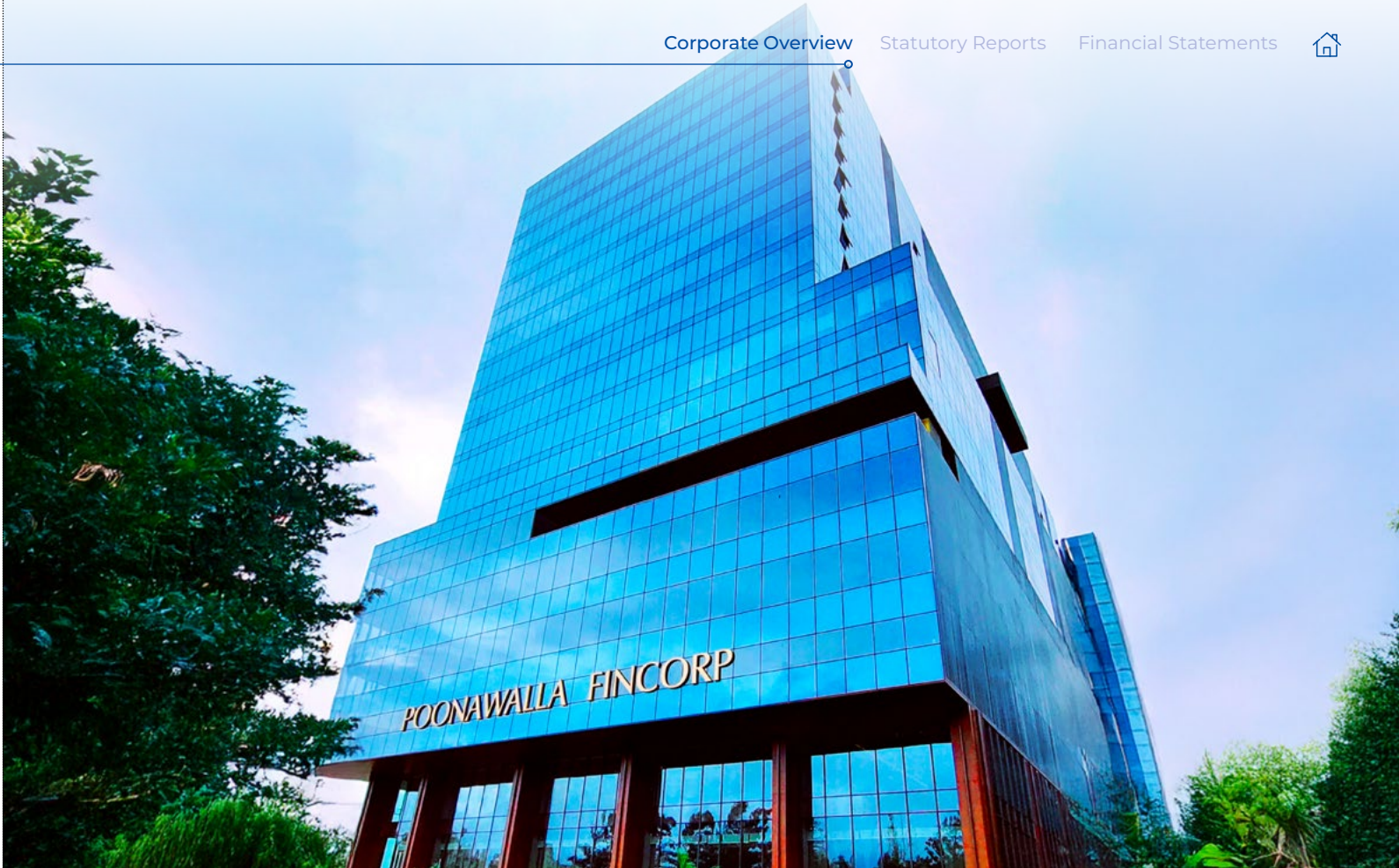
STARTING AT 16%^{p.a.}

GET UPTO ₹5 Lakh

Instant Loan

QUICK DISBURSAL

APPLY NOW



SHAPING UP A SUSTAINABLE, PREDICTABLE AND PRODUCTIVE BUSINESS

SOLIDIFY

- Deep Product and Risk expertise in each asset class, blending experience with proven capabilities
- Culture of passion, fast execution and scalable results
- AI-first approach across functions

5-6X

AUM Growth over FY 2023-24 base in 5 years

EXPAND

- 24x7 industry-first digital journeys will build scale over 4–6 quarters
- Diversified secured and unsecured portfolio: 6 new products launched
- Expand ‘Phygital’ model: 400 branches by March 2026

400

New Branches by March 2026

SCALE

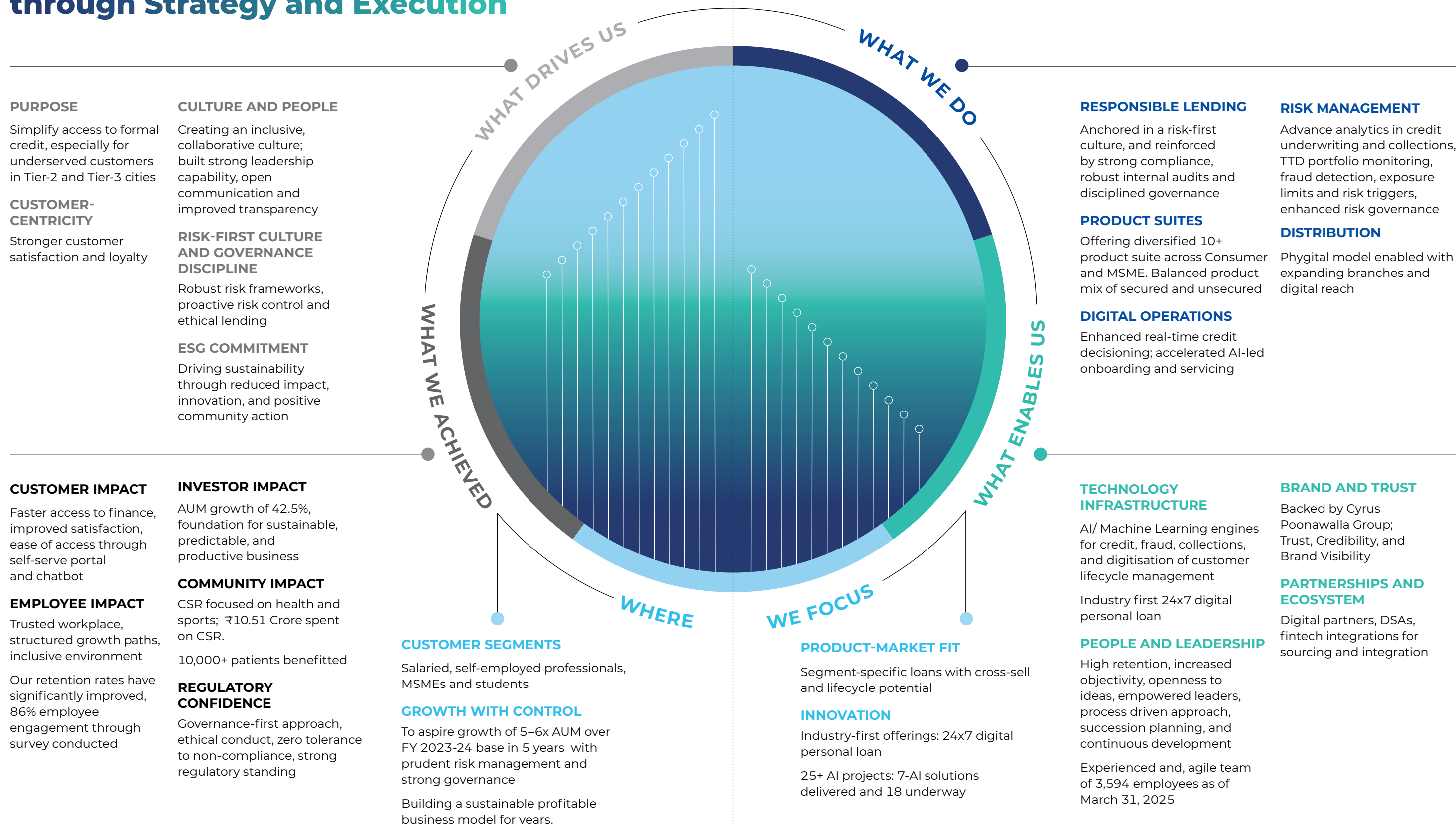
- Investing in digital marketing at scale, conducting over 100 experiments across web and app platforms: To add value to performance marketing optimisation and lower CAC
- Revamped website for acquisition and service
- Onboarding dealers, DSAs, and partners across geographies
- Deepen customer engagement and stickiness
- Cross-sell to high-value cohorts at low acquisition cost
- Gaining market share each year

25

AI Solutions, 7 successfully delivered and 18 underway

Business Model

Delivering Stakeholder Value through Strategy and Execution





CREATING CUSTOMER DELIGHT

At Poonawalla Fincorp, customer experience is integrated across every product, platform and interaction. Through consistent investments in technology and powered by AI and analytics, we are building efficient and seamless lending journeys. Our focus is on delivering timely and relevant credit solutions while building long-term relationships based on trust and transparency.

Story 1

DIGITAL JOURNEYS THAT OPERATE 24X7

We have transformed the way customers interact with us. Our new digital journeys are available 24x7, offering customers complete autonomy across the lending lifecycle from application to disbursal. The flagship PL Prime Digital 24x7 product, also an industry-first fully end-to-end digital personal loan offering is designed to meet the needs of salaried professionals who are seeking quick and convenient access to credit. It has become the benchmark for end-to-end onboarding across our other verticals.

Key Features implemented in FY 2024-25:

- A redesigned newly launched portal with real-time status tracking and service capabilities
- QR-based referral journeys to simplify lead generation and acquisition
- Instant credit checks via CIBIL and Experian API integrations, allowing faster decisions and greater transparency
- A generative AI chatbot has been implemented on the website to assist customers with their queries and provide personalised support

Planned Upgrades include

- Real-time hyperpersonalised journeys based on behavioural insights and predictive models
- Multi-language support

NEXT-GEN CUSTOMER PLATFORM LIVE

In FY 2024-25, we completely redesigned our customer website and digital interface, bringing it in line with leading consumer-tech experience. This included:

- AI-led personalisation on campaigns, adapting layouts, offers, and messaging to individual user behaviour
- Execution of 80+ micro-experiments with respect to digital acquisition campaigns per day across website, mobile app, and WhatsApp

AI-POWERED SERVICE AND COLLECTION MODELS

We deployed in-house machine learning models to enhance and optimise collections:

- AI-based modelling of repayment propensity and engagement channels helped digitally resolve a significant share of early-stage delinquencies
- In customer service, models have been deployed for call and email quality assessment, monitor and improve response quality, resulting in enhanced service reliability

CUSTOMER TESTIMONIALS



I opted for a Loan Against Property balance transfer with Poonawalla Fincorp, and the experience exceeded my expectations. The application process was completely digital, quick, and required minimal paperwork. Getting a significantly lower interest rate helped me reinvest in my business. With better financial flexibility, I was able to scale operations efficiently, leading to a 30% increase in business turnover. Poonawalla Fincorp made the entire journey stress-free, and I highly recommend their services to any business owner looking for smart financial solutions.

— **Shripal Patel**
Printing Press, Ahmedabad



I run a chain of pharmacy stores with 5 branches in Pune. With the growing popularity of home delivery, my customers were expecting the same from me as well. However, the extra capital requirement made it difficult for me to hire delivery persons. With Poonawalla Fincorp's Business loan, I am now able to compete with online pharmacy retailers, manage working capital and upgrade my system. My customers have grown 50-60%. The loan application process is digital, simple and speedy. I was delighted to get my loan amount disbursed quickly, allowing me to upgrade my operation seamlessly.

— **Bhavna Bora**,
Founder, One Pharma



Poonawalla Fincorp's Pre-owned Car Loan made the entire financing process effortless. The loan approval was quick, and the minimal documentation made it even more convenient. Within just a couple of days, the funds were disbursed, allowing me to purchase a well-maintained pre-owned vehicle without any hassle. The repayment options were flexible, and the entire experience was seamless. Thanks to Poonawalla Fincorp, I could get my car without any financial strain. Highly recommended!

— **Parveen Solanki**,
Hospital Equipment
Manufacturer, Faridabad

Our Business

Predictable Growth, Reliable Outcomes

In today's complex financial landscape, strength lies in consistent, disciplined, and insight-driven performance. Over the past year, we demonstrated that growth can be both sustainable and predictable, driven by our core lending portfolio—MSME, Consumer and Personal loans, LAP, Pre-owned car,—backed by strong risk management and digital execution.

MSME LENDING

Micro, Small, and Medium Enterprises are central to India's entrepreneurial economy and our strategic portfolio. In FY 2024–25, our MSME lending business grew significantly in both disbursements and asset base. MSME Lending includes business loans, professional loans, supply chain finance, NBFC and corporate loans.

₹12,942
Crore
AUM

36%
Share of AUM (%)

Focused on formal, cash-flow visible businesses, our approach is led by robust underwriting, fully digital onboarding for retail MSMEs and low delinquencies.

CONSUMER AND PERSONAL LOANS

Our consumer finance portfolio—primarily driven by personal loans to prime borrowers and small ticket personal loans—grew at scale through end-to-end digital journeys.

₹8,098
Crore
AUM

23%
Share of AUM (%)

Majority new loans sourced digitally, this high-velocity, low-friction model helped us capture aspirational demand, particularly in non-metro geographies, while maintaining asset quality.

LOAN AGAINST PROPERTY (LAP)

LAP continued to be major part of our secured lending portfolio, offering long tenure, stable cash flows, and controlled risk.

₹8,466
Crore
AUM

24%
Share of AUM (%)

Supported by conservative loan-to-value (LTV) ratios and rigorous property evaluations, this segment added balance and stability to our asset mix.

PRE-OWNED CAR LOANS

Our Pre-owned car loans, a secured product, continues to offer consistent, low-risk returns.

₹4,883
Crore
AUM

14%
Share of AUM (%)

Serving a wide customer base across pan India, this segment leverages collateral-backed lending to deliver stable outcomes.

What Brings It All Together

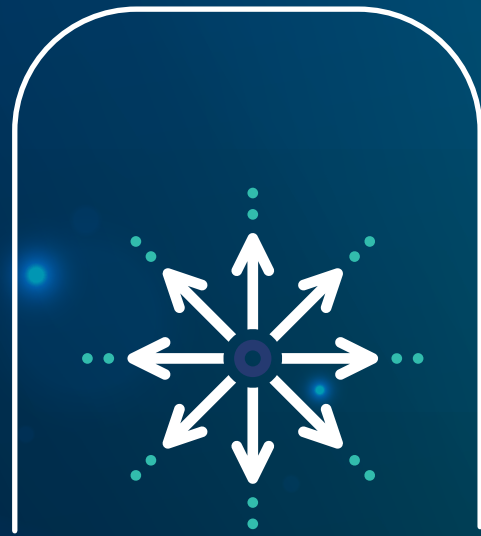
Our lending engines are interconnected through a shared foundation of precision, digital agility, and risk discipline:

- **AI-Led Credit Models:** Driving faster, smarter, and more consistent decisions across the lifecycle

- **Phygital Distribution:** Seamlessly blending branch and digital outreach to optimise customer acquisition and servicing

- **Smart Data Infrastructure:** Leveraging alternate data and account aggregation for sharper risk segmentation and customer insights

- **Strong Risk Governance:** Healthy asset quality, and balanced growth across secured and unsecured assets



BUSINESS EXPANSION THROUGH PRODUCT AND DISTRIBUTION GROWTH

We have evolved into a diversified, multi-product financial institution. With a focus on value-driven innovation, we expanded beyond our core to launch future-ready products designed to address evolving credit needs, increase disbursements, and build long-term stability.

Story 2

PL PRIME

A digitally originated personal loan for top-tier salaried professionals with verified income and high credit scores.

Loan from: **₹1 Lakh to ₹50 Lakh**

Tenure: **12 to 84 months**

Channel: Omni-channel Distribution Strategy

PL Prime Digital 24x7 offering is a fully digital product enabling eligible customers to access loans of up to ₹15 Lakh in just 15 minutes approximately.

Strategic Impact

Enhances NIM, reduces delinquency, and strengthens our prime portfolio mix.



From wishlist to gift list with our Instant Personal Loan



COMMERCIAL VEHICLE (CV) LOANS

Financing for Used and New commercial vehicles.

Loan from: **₹75,000 and ₹1 Lakh for Used and New CV respectively and up to ₹1 Crore**

Tenure: **12-60 months**

Collateral-backed: **Yes**

Channel: Distribution through Channel partners, Direct Business and Digital on-boarding through mobility solution

Strategic Impact

Secured lending with high yield, focused on transport entrepreneurs in Tier-2 and Tier-3 markets.



Expand your fleet with ease!

Get a **Commercial Vehicle Loan** today!



High loan amounts*



Flexible loan terms*



Turn your academic aspirations into reality with our **Education Loan**.



EDUCATION LOAN

Flexible education finance solutions for higher studies in India and abroad.

Loan amount: **₹1 Lakh to ₹3 Crore**

Tenure: **Up to 15 years**

Channel: Consultant partnerships and digital-first sanction engine

Strategic Impact

Enables long-tenure lending with high lifetime value and cross-sell potential to both students and parents.



When in doubt, let gold help you out.

Get a **Gold Loan** up to **₹50 Lakhs** today!



Quick disbursal*



Secure storage*



GOLD LOANS

Retail gold loan services launched across Tier-2 and Tier-3 locations.

Loan from: **₹25,000 to ₹50 Lakh**

Tenure: **Upto 12 months**

Channel: Dedicated Gold Loan Branches

Strategic Impact

Builds a large secured book in a recession-resilient segment while enhancing branch throughput.





CONSUMER DURABLE LOANS

Instant EMI financing for appliances, electronics, and home upgrades.

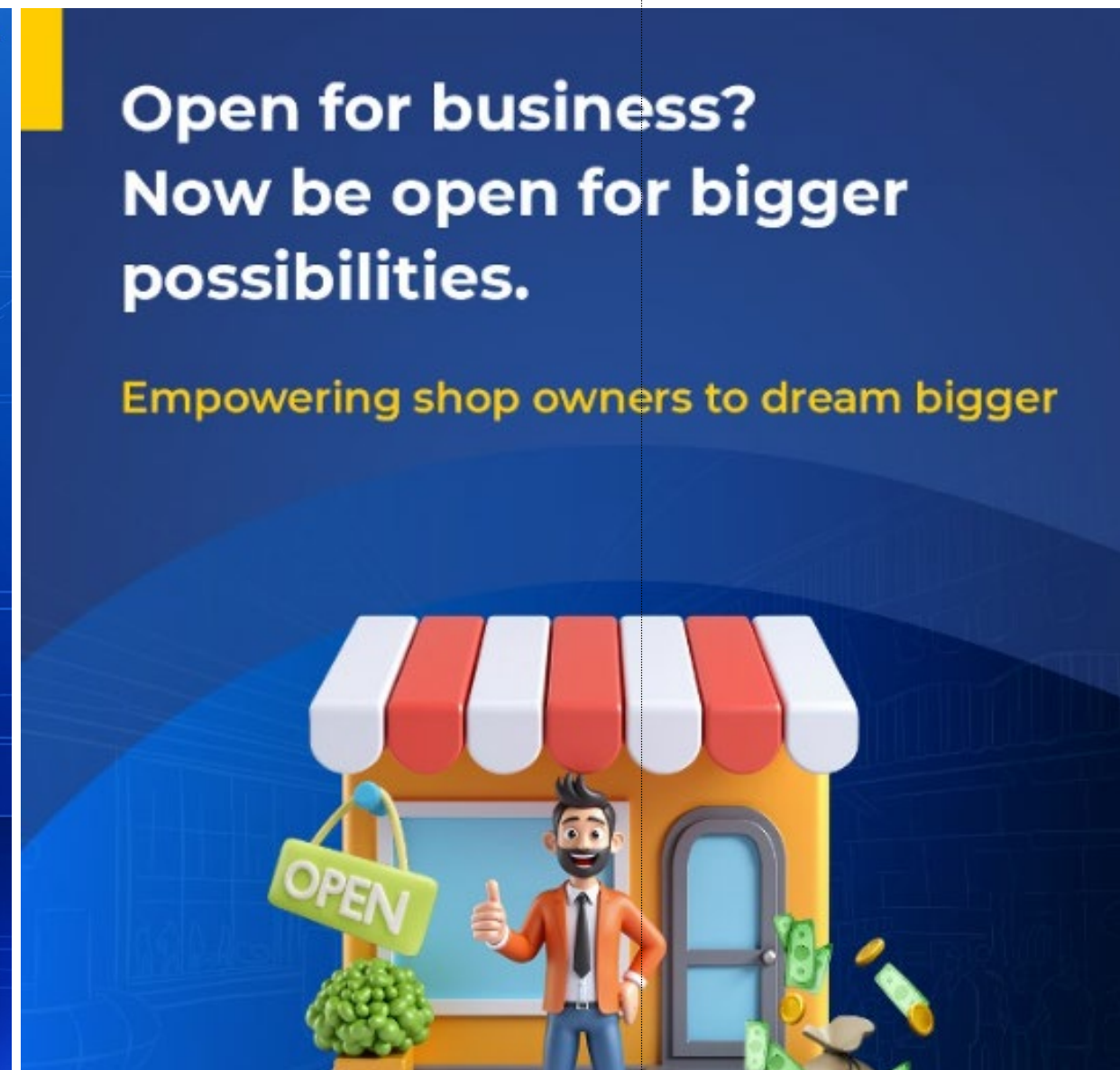
Loan from: **₹5,000 to ₹5 Lakh**

Tenure: **3-24 months**

Partner touchpoints: **Over 3,000+ retailers** across Tier-2 and Tier-3 cities

Strategic Impact

High-velocity lending with strong cross-sell and repeat engagement potential.



SHOPKEEPER LOANS

Working capital finance for kirana stores and micro-retailers.

Loan from: **₹1 Lakh up to ₹15 Lakh**

Tenure: **6-48 months**

Origination model: **Phygital with local sourcing teams**

Credit model: **Cash-flow and transaction history-based underwriting**

Strategic Impact

Unlocks underserved MSME segment with scalable unit economics.



THE ROAD AHEAD

Our product roadmap is aligned with India's evolving credit ecosystem and emerging consumer trends. Over the next few years, these six planned offerings will deepen customer engagement, unlock cross-sell opportunities, and further strengthen our digital lending franchise.

DISTRIBUTION MODEL

In FY 2024–25, we strengthened our blended distribution model to support the scale-up of new verticals. The Company focused on expanding reach in Tier-2 and Tier-3 locations, especially to enable growth in gold loans, shopkeeper finance, and commercial vehicle lending. Branches played a critical role in these segments, serving as origination and servicing hubs aligned with customer behaviour in semi-urban and rural markets.

The Consumer Durable Finance business extended its footprint by activating partnerships in additional cities, reinforcing its presence through a growing network of retail outlets. This facilitated high-frequency origination of small-ticket loans, supporting disbursement velocity in consumer categories such as electronics and appliances.

For Education Loans, the Company leveraged a consultant-led model to drive lead generation and fulfilment across academic centres. This enabled focused expansion without the need for a heavy branch-led approach.

PL Prime continues to operate as an omni-channel distribution strategy, seamlessly integrating both physical and digital platforms to enhance customer reach and convenience. The PL Prime Digital 24x7 offering is a fully digital product available year-round, enabling customers to complete the entire journey—from application to disbursement—entirely through digital channels. The robust digital infrastructure underpinning PL Prime has not only ensured operational efficiency and round-the-clock availability but also served as a blueprint for future product launches, setting a new standard for innovation and scalability.

Together, these efforts reflected a calibrated expansion strategy, balancing physical presence and digital capabilities to support scale without compromising on risk, cost, or customer experience.

With this approach, we continue to focus on simplifying lending, creating customer delight, and enhancing experiences, which remain our top priorities.

Phygital Distribution for Nationwide Reach

Reimagining Access to Credit across Bharat

In line with our focus on inclusive growth and making credit accessible to everyone, we are leveraging a cost-efficient phygital distribution model—blending digital-first and speed to market at scale with the trust of local presence. We are expanding our footprint to 500+ branches across geographies, strengthening community connect and making formal credit more accessible to underserved individuals and small businesses.

DISTRIBUTION MODEL OVERVIEW

To support the growth of our product portfolio and geographical expansion, our distribution strategy is designed to provide integrated customer journeys. This approach enables us to effectively acquire and serve customers while optimising cost, time, and resource utilisation.

CHANNEL TYPE	COMPONENTS	ROLE IN DISTRIBUTION
Physical	Branches, field officers, DSAs, call centres	Local market connect with increase in distribution depth, cross sell touchpoints
Digital	Website, app, social media, digital aggregators, WhatsApp	24x7 access, low acquisition cost, digital onboarding
Phygital	AI-powered campaigns, integrated journeys	Ensures a unified, personal experience across platforms, enabling cross-channel engagement and conversion

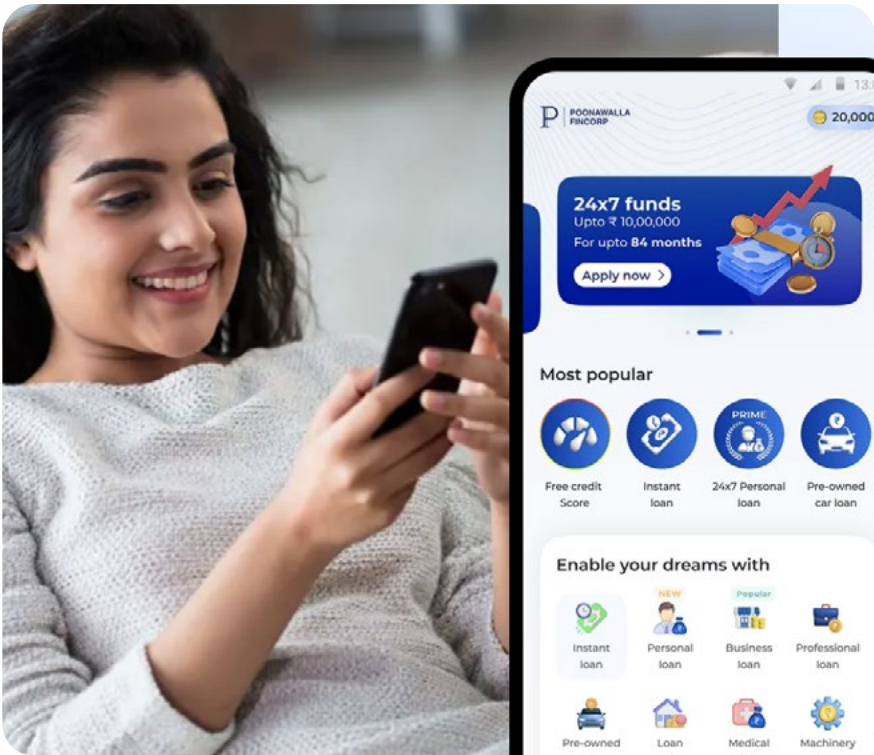
Performance Snapshot

We delivered strong distribution outcomes aligned with our strategy:

- Assets under Management (AUM) reached ₹35,631 Crore, growing 42.5% YoY with balanced expansion across secured and unsecured products
- AI-led distribution initiatives enabled broader outreach, higher personalisation, and scalable execution

400

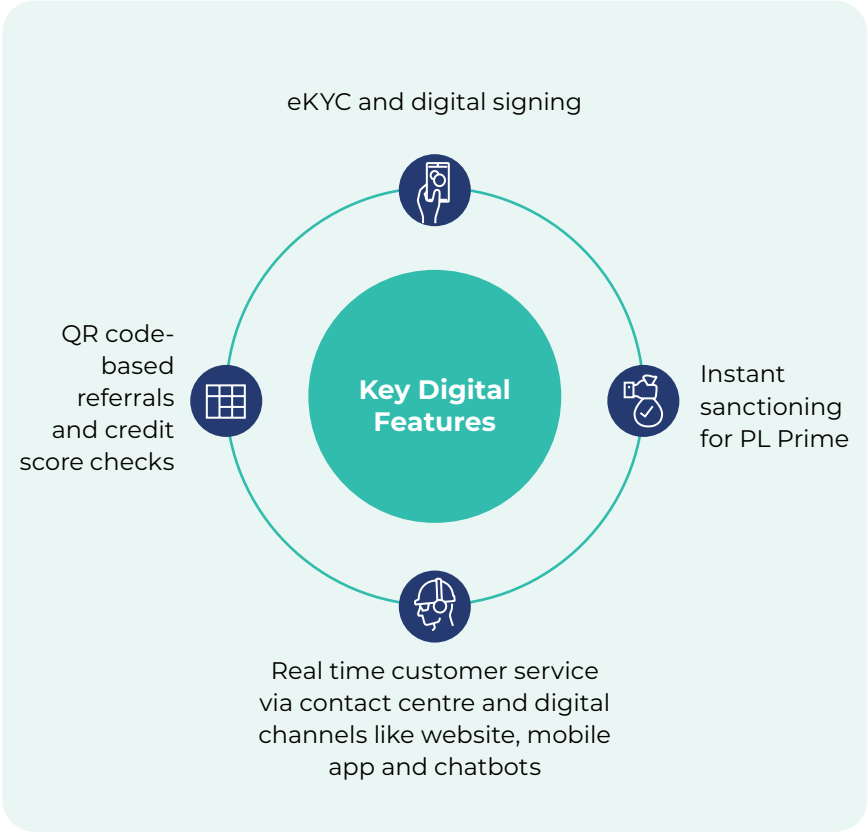
Gold branches to be launched by March 2026



ENHANCING CUSTOMER ACCESS AND EXPERIENCE

Our branch rollout is focused primarily on Tier-2 and Tier-3 cities- markets where local presence plays a vital role in building trust and enabling access to secured financial products. These branches are not limited to single-product delivery; rather, they function as multi-product service hubs, offering a comprehensive suite of financial solutions and strong cross-sell potential.

In parallel, we have expanded our AI-powered digital journeys across key product lines. Our app and website now support seamless onboarding, real-time decisioning, and intuitive self-service options—ensuring minimal friction for customers, whether they choose to engage with us digitally or in person.

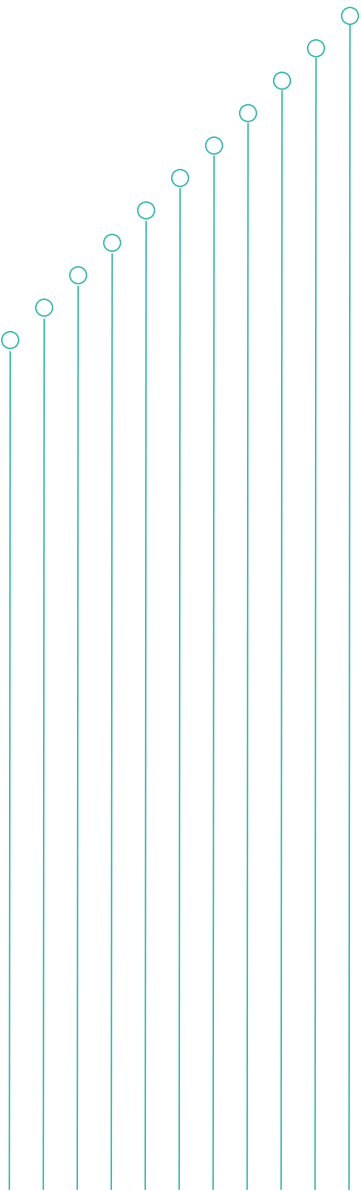


Phygital Distribution for Nationwide Reach

PRODUCT-SPECIFIC DISTRIBUTION INSIGHTS

These products are being delivered through a thoughtfully synchronised physical and digital network, maximising both accessibility and profitability.

PL Prime, Education Loans, Commercial Vehicle Loans, Consumer Durable Loans, Shopkeeper Loans, Gold Loans



PRODUCT	PHYGITAL STRATEGY	ROLLOUT PROGRESS
PL PRIME 	Omnichannel strategy by way of physical and digital channels	Run rate grew from ₹0 to ₹200+ Crore per month in 2 quarters
EDUCATION LOANS 	Consultant partnerships + digital-first sanction engine	Substantial files logged in 45 days; 100-member team onboarded
COMMERCIAL VEHICLE LOAN 	Distribution through channel partners + direct business + digital on-boarding through mobility solution	Activated key geographies like Maharashtra, West Bengal with clear focus to expand to NCR, Haryana, Gujarat, Tamil Nadu, Rajasthan; Key leadership team across business and credit on-boarded
CONSUMER DURABLES 	Dealer network + EMI card + pre-approved digital offers	Targeting 10,000–12,000 dealer points in 210 locations
SHOPKEEPER LOANS 	POS engagement	Live in 44 locations; expansion underway
GOLD LOANS 	Physical branches in Tier-2 and Tier-3 cities acting as multi-product distribution hubs	Active in Gujarat, Maharashtra, Rajasthan, Haryana

Life's too short not to live your dreams.

Let us help!



Outlook

We remain focused on scaling our phygital distribution model with operational discipline and strategic intent:

- The full rollout of 400 branches is on track for completion by March 2026
- Enhancing operating efficiency through automation and analytics
- Maximisation of Cross-sell opportunities through data-driven insights and AI-powered personalisation

Our objective is to be present wherever our customers are, offering a consistent, seamless experience—digitally, physically, or through partner ecosystems. The omnichannel model is making our services accessible, convenient and efficient for our customers.



INNOVATION THROUGH INDUSTRY-FIRST OFFERINGS

As part of our digital-first strategy, we introduced industry-first Digital 24x7, fully digital personal loan product designed specifically for salaried professionals from prime corporates. This end-to-end solution enables eligible customers to access loans of up to ₹15 Lakh in just 15 minutes approximately, through a completely paperless and seamless process, delivering speed, convenience, and efficiency.

Story 3

The product is accessible through our mobile app, website, and a network of authorised partners, ensuring seamless and convenient access to credit anytime, anywhere. With zero collateral requirements and the flexibility to choose extended EMI tenures, PL Prime is thoughtfully designed to deliver maximum convenience while promoting responsible credit access.

FOCUSED AND RISK-CALIBRATED TARGETING

PL Prime harnesses the power of our in-house AI and machine learning models, enriched by alternate data sources and intelligent workflows, to enable real-time credit decisioning. This cutting-edge approach allows us to efficiently serve financially strong, digitally savvy customers, while upholding our risk-first philosophy to ensure responsible and secure lending.

AS OF MARCH 2025:

75%

Of our customers worked with Category A companies

72%

Had monthly take-home salaries exceeding ₹75,000

EARLY PERFORMANCE AND MOMENTUM

Launched in August 2024, PL Prime has scaled rapidly, reaching ₹120 Crore in disbursal run rate by December 2024 and crossing ₹200 Crore by March 2025.

ADDRESSING THE GROWING DEMAND FOR UNSECURED CREDIT

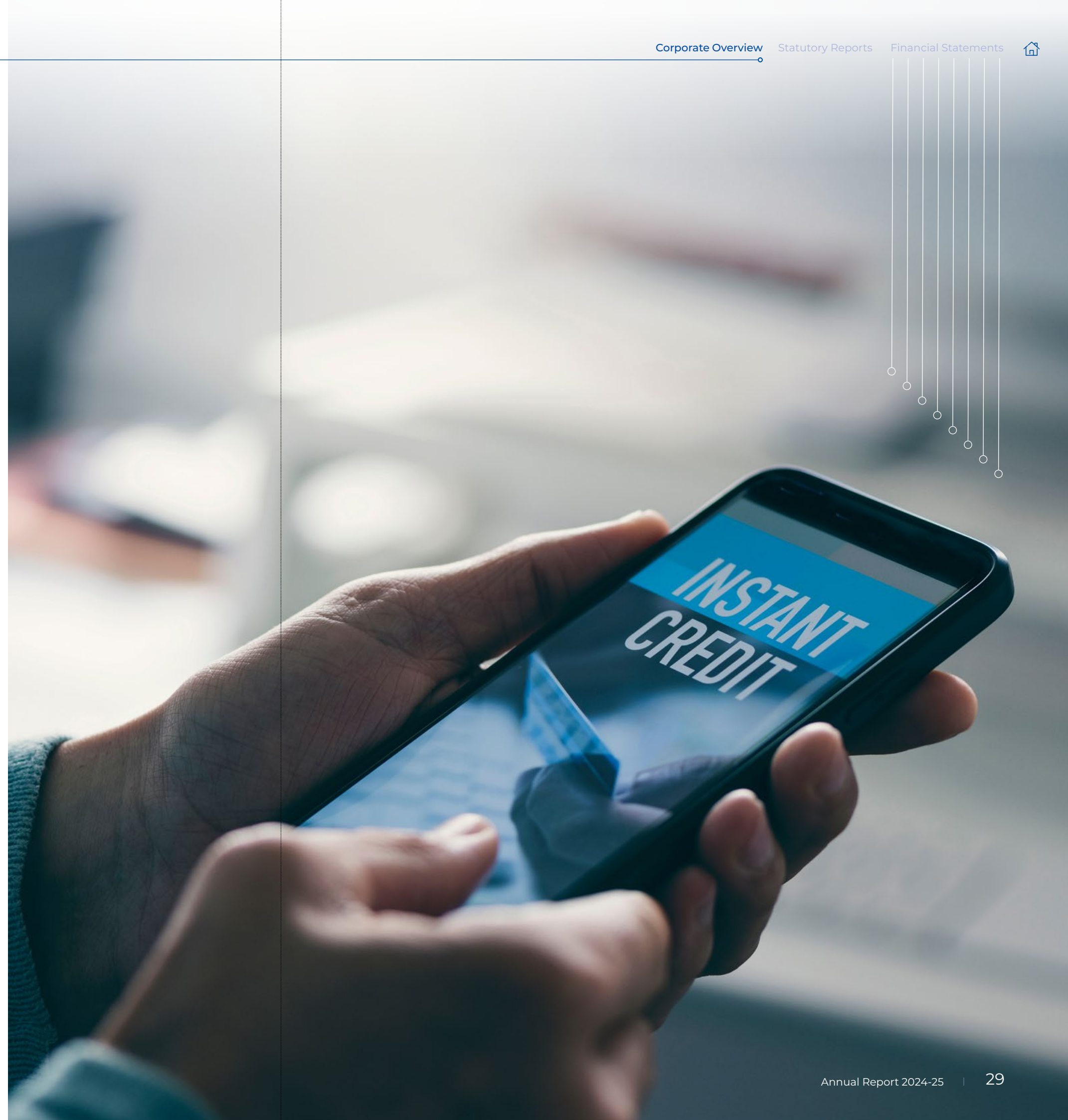
India's personal loan market has witnessed a robust growth, fuelled by rising demand for unsecured credit to meet both planned and unexpected financial needs. PL Prime addresses this evolving demand with a digitally native, real-time lending solution, underpinned by prudent credit filters and dynamic pricing models that ensure both agility and risk-conscious lending.

By providing instant access to funds without the friction of paperwork or delays, we are not only broadening credit accessibility but also ensuring the continued health and quality of our portfolio.

A FOUNDATIONAL PILLAR OF OUR DIGITAL LENDING ECOSYSTEM

PL Prime Digital 24x7 is a cornerstone of our broader vision to build a scalable, customer-centric digital lending platform. It complements the growing PL Prime suite, reinforcing our ability to seamlessly integrate advanced technology, rapid execution, and deep credit insights to deliver a superior lending experience.

We remain committed to expanding the reach of our digital lending products, consistently delivering solutions that are efficient, inclusive, and future-ready, aligned with the evolving needs of our customers and the digital economy.



Our Growth Journey

Conviction. Transformation. Scale.

India has emerged as the fastest-growing major economy, doubling its GDP from \$2.1 trillion in FY 2014-15 to \$4.2 trillion in FY 2024-25. Overall retail credit stood at 18% of GDP.¹ Growth was driven by rising incomes, digital adoption and wider financial inclusion. India's lending market is at a pivotal stage, with retail credit penetration still well below global benchmarks

This presents a significant growth opportunity, particularly in Tier-2 and Tier-3 cities, where large segments of middle-income India remain underserved.

Credit demand is accelerating among salaried youth, students, small businesses, and first-time borrowers—segments that align closely with high-growth categories in which Poonawalla Fincorp operates.

CREATING RIGHT TO WIN

FY2024–25 was a pivotal year for the Company, as we set up a strong foundation to support AUM growth while maintaining prudent asset quality. We focused on strengthening five strategic building blocks – People, Products and Distribution, Analytics and AI, Technology, and Risk Management.

Our new leadership team is driving the transformation, creating right to win with a clear roadmap for business transformation, institutionalising processes and systems.

This is led by our AI-first, Risk-first, Governance-first, Customer-first and People-first approach.

During the financial year, we diversified the risk profile through the launch of six new products and prudent portfolio mix of secured and unsecured products. We are institutionalising high quality processes aligned with risk-first approach across our new businesses, monitoring through the door quality of new book and continue to invest in collection infrastructure.

The new products launched are designed to meet specific customer needs through a mix of 24x7 digital journeys and branch-led delivery models, tailored to each offering. This focused approach has enabled us to gain strong momentum across platforms and geographies, positioning us to serve India's next generation of borrowers with speed, access, and precision.

We recalibrated Small Ticket Personal Loan, expanded business loans lending to vintage businesses with healthy cashflows, and launched PL-Prime in August 2024 to target top corporates.

With a strong foundation laid through product portfolio expansion, we continue to build a culture driven by high performance and high intensity, and deep expertise across our leadership team.

WHERE WE STAND TODAY

FY 2024–25 was a year of holistic strengthening across various vectors including business, risk, compliance, audit, digital journeys, and AI. Our business is now anchored on five strategic pillars – People, Products and Distribution, Analytics and AI, Technology, and Risk Management.

MoU Signed with TIH at IIT-Bombay

7

AI Solutions Successfully Delivered

18

AI Projects Underway

STRATEGIC BUILDING BLOCKS

PEOPLE

We have strengthened our leadership and delivery teams creating a future-ready organisation focused on speed, agility, and cross-functional execution.

PRODUCTS AND DISTRIBUTION

We launched six new businesses and are on track to roll out 400 branches by March 2026. Our digital channels have been revamped, and our liability profile has been diversified through ECB and NCD issuances.

ANALYTICS AND AI

Predictive models are embedded across the credit lifecycle. We have delivered seven AI solutions and have 18 more underway, spanning collections, HR, audit, and operations. Predictive models are embedded across the credit lifecycle. We have delivered seven AI solutions and have 18 more underway, spanning collections, HR, audit, and operations. A strategic MoU with TIH at IIT Bombay is helping us advance our AI-led innovation agenda.

TECHNOLOGY

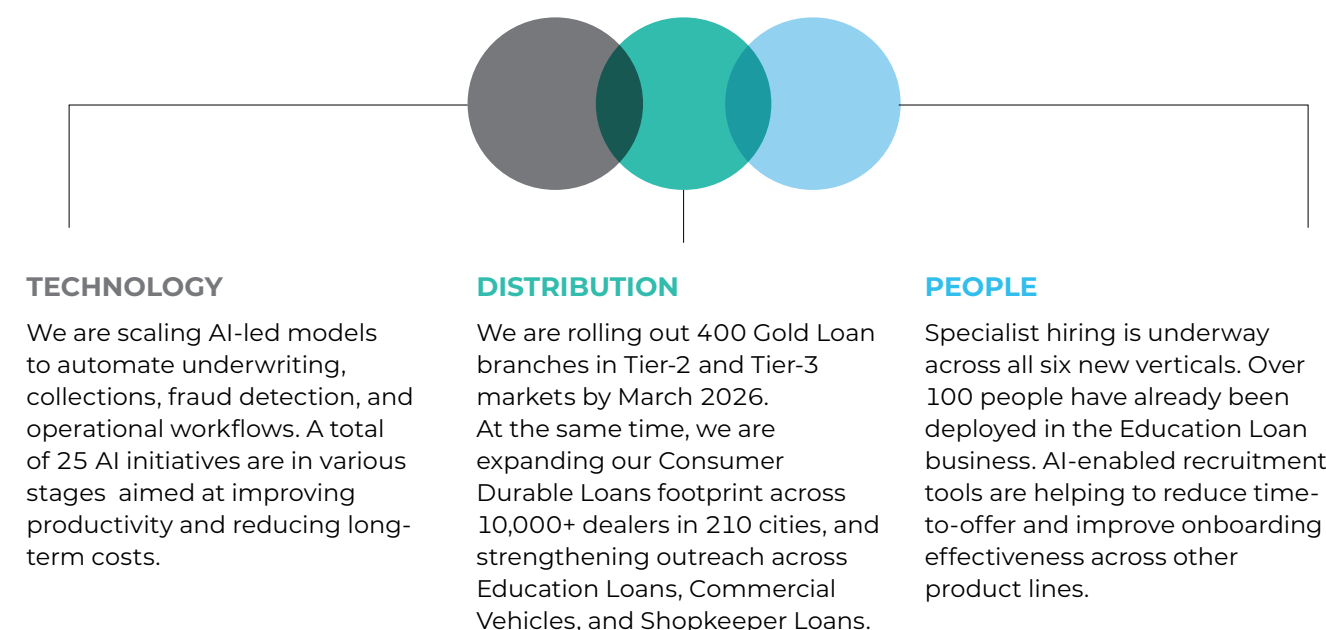
We have begun re-architecting our data systems to enable smarter dashboards, faster reporting, and seamless portfolio tracking, while leveraging plug-and-play SaaS platforms for agility. Additionally, we have revamped our website to support advanced personalisation, providing a seamless engaging experience to our customers.

RISK MANAGEMENT

We have diversified risk through additional secured products and integrated AI tools to dynamically monitor, assess, and manage credit exposure.

INVESTING TODAY TO BUILD THE BUSINESS OF TOMORROW

To realise our goal of 5–6x AUM over FY 2023-24 base in 5 years, we are making targeted investments across three strategic levers – Technology, Distribution, and People. While this expansion phase will result in elevated operating expenditure in the near term, these investments are calibrated, outcome-oriented, and designed to drive high-quality origination at scale.



¹IMF

Board of Directors

Building Trust. Strengthening Governance.

With deep expertise in banking, governance, risk, and digital innovation, the Board ensures every decision support future-ready growth, protects stakeholder interests, and upholds the highest standards of corporate governance.

MR. ADAR CYRUS POONAWALLA Chairman

Mr. Poonawalla provides visionary direction and long-term purpose to the Company's inclusive growth agenda. Mr. Poonawalla is a globally recognised leader in healthcare and philanthropy.



MR. ARVIND KAPIL Managing Director and Chief Executive Officer

With over 25 years at HDFC Bank, Mr. Kapil brings deep experience in mortgage banking business, retail lending, digital banking, and risk management. His leadership is focused on operational excellence, customer-centricity, and embedding AI across the lending lifecycle.

- ALM C RMC M
- MC C ITSC M
- RC C



MR. SUNIL SAMDANI Executive Director

Seasoned financial professional and a strategic thought leader, with over two decades of rich experience in the BFSI sector. Served as Executive President and Chief Financial Officer of Bandhan Bank. Mr. Samdani leads the charge on financial discipline, capital efficiency.

- SRC M RC M
- CSR M ITSC M
- ALM M CSC M
- MC M RMC M



MS. SONAL MODI Non-Executive Director

Ms. Modi has over 40 years of experience at HDFC Limited, She holds deep expertise in retail lending, credit, and business growth. She has played a key role in market expansion, sales channel management, and branch network development.

- CSC C CSR M
- ACB M ALM M
- SRC M MC M
- NRC M RC M
- RMC M ITSC M



MR. BONTA PRASADA RAO Independent Director

Mr. Rao has more than 40 years of experience. He served as the Chairman and Managing Director (CMD) of Bharat Heavy Electricals Limited (BHEL) and Managing Director of Steag India (A German Company). Mr. Rao brings industrial leadership and transformation experience, supporting the Digital and IT Strategy.

- RMC C ALM M
- ITSC C RC M



MR. PRABHAKAR DALAL Independent Director

Mr. Dalal has over 37 years of experience and extensive international exposure across the globe. He has worked with the Export-Import Bank of India (Exim Bank) for 31 years, including over 3 years as Executive Director. Prior to that, he served for 6 years in commercial banking, including a tenure as Branch Manager. Mr. Dalal has served/been serving as Nominee/Independent Director on Corporate Boards for 20 years. With deep roots in financial services , global banking, Corporate Governance and Securities Laws, Mr. Dalal enhances board deliberations on audit, people management, and stakeholder governance.

- NRC C CSR M
- SRC C MC M
- ACB M



Board of Directors

MR. SANJAY KUMAR

Independent Director

With a strong grounding in audit and compliance, Mr. Kumar ensures effective oversight across audit, ALM, and risk structures. He has rich working experience in critical areas of Banking: Branch Banking, Credit Administration, International Operations, Corporate Planning, economic research and intelligence, AML and regulatory Compliances.

ACB

M

RMC

M

SRC

M

ALM

M

RC

M

MS. KEMISHA SONI

Independent Director

Ms. Soni is presently serving as the Managing partner of GDK and Associates, Chartered Accountants. A strong advocate for social equity and stakeholder empowerment, Ms. Soni drives the Company's CSR initiatives. She has over 25 years of expertise in the field of Accounting, Audit and Taxation including Forensic Audit, Risk Management Audit, Corporate Laws.

CSR

C

ITSC

M

ACB

M

CSC

M

MC

M

MR. KEWAL HANDA

Independent Director

Mr. Handa served as Managing Director of Pfizer Limited and Non-Executive Chairman of Union Bank of India. He has over 40 years of diverse experience in Finance, Commercial Banking, Strategy, Business Development, Merger and Acquisition, Corporate Affairs, and corporate governance.

ACB

C

NRC

M

MR. RAJEEV SARDANA

Independent Director

Mr. Sardana has 39 years of experience across Housing finance, Audit, consumer behavior, risk, sales and marketing, Real Estate and legal compliances. After working with HDFC Limited and HDFC Bank for 38 years, he is currently advising a unified lending services Company which is working with banks, HFCs and NBFCs (Greenfinch Global Consulting). He is also on the Board of HDFC Sales Private Limited, a wholly-owned subsidiary of HDFC Bank.

NRC

M

RMC

M

BOARD COMMITTEES AND GOVERNANCE STRUCTURE

To ensure strategic execution is grounded in strong governance, each Board member contributes through active committee participation.

Committees and their Role and Oversight

ACB

Audit Committee

Financial reporting integrity, internal controls

NRC

Nomination and Remuneration Committee

Board succession and remuneration oversight

SRC

Stakeholder Relationship Committee

Investor engagement and shareholder rights

CSR

Corporate Social Responsibility Committee

Community impact

RMC

Risk Management Committee

Enterprise-wide risk identification and response

ALM

Asset Liability Management Committee

Liquidity, funding, and duration mismatches

ITSC

IT Strategy Committee

Oversight of strategy, digital roadmap and data's governance

MC

Management Committee

Execute Board's directions and facilitate operational matters

CSC

Customer Service Committee

Customer experience, complaint resolution and digital servicing

RC

Review Committee

Reviewing the proposal of the Identification Committee

C

 Chairperson

M

 Member

The Board's Collective Expertise is Unified by Six Core Capabilities

Market understanding

Understanding of business/industry

Financial understanding

Strategy and strategic planning

Critical and innovative thoughts

Risk compliance oversight

34 | POONAWALLA FINCORP LIMITED

Annual Report 2024-25 | 35

Management Team

Leadership that Drives Performance

Our leadership blends vision with disciplined execution, driving strategy, culture, and governance. Their values-led approach has built a high-performing, inclusive organisation anchored in trust and accountability.



MR. ARVIND KAPIL
Managing Director and
Chief Executive Officer



MR. SUNIL SAMDANI
Executive Director



MR. SANJAY MIRANKA
Chief Financial Officer



MR. HARSH KUMAR
Chief Human
Resources Officer



MR. BHASKAR PANDEY
Chief Risk Officer



MR. NITIN SANE
Chief Internal Auditor



MR. SHRIRAM V. IYER
Chief Credit and Analytics
Officer



MR. VIKAS PANDEY
Chief Business Officer –
Consumer Business



MR. VEERARAGHAVAN IYER
Chief Business Officer –
Commercial Business



MR. BHOLANANDA BEHERA
Chief Compliance Officer



MR. SALIL HAJARNIS
Chief Technology Officer



MS. SHABNUM ZAMAN
Company Secretary

Message from the Chairman

From Strategic Reset to Sustained Growth

DEAR STAKEHOLDERS,

It is my privilege to present the Annual Report for FY 2024–25—a year of purposeful reset for Poonawalla Fincorp. We implemented bold structural changes across the organisation, launched new lending verticals, and strengthened our operating model. Every decision was anchored in a single objective: to build a Company that is risk-calibrated, product-relevant, and execution-focused, aligned with the needs of a changing India.

GLOBAL SHIFTS, NATIONAL MOMENTUM

The global economy continues to navigate uncertainty beneath the surface of apparent stability. GDP slowed down to 3.3% in CY 2024 and is projected to slow down further to 2.8% in CY 2025, shaped by prolonged geopolitical tensions, tighter monetary policy in advanced markets, and rising protectionism.¹ Inflation is moderating, yet consumer and investment sentiment remains uneven. Trade volumes are recovering but remain exposed to external shocks and policy recalibrations.

India, by contrast, has maintained momentum. The economy grew by 6.5% in FY 2024–25, driven by improving rural demand, resilient urban consumption, and continued infrastructure investment. With GDP crossing \$4.3 Trillion, India is now the fourth-largest economy in the world, with a clear path towards becoming the third.² This is not a cyclical spike; it reflects a deeper structural shift in how India grows, consumes, and aspires.

The financial services sector is central to this evolution. Digitisation, formalisation, and a more informed borrower base are transforming the flow of capital. Non-Banking Financial Companies (NBFCs) have become critical to delivering last-mile credit. With sectoral AUM expected to surpass ₹60 Trillion in FY 2025–26, the NBFC space is expanding both in reach and responsibility.³ Regulatory tightening around unsecured lending has reinforced the sector's pivot towards secured, granular portfolios and sustainable balance sheet structures.



India's outlook for FY 2025–26 remains encouraging. GDP growth is projected at 6.2%, supported by improved rural liquidity, stable urban demand, and the RBI's calibrated rate cuts. This presents a significant opportunity for responsible credit expansion, particularly in MSME and retail segments. Institutions with clarity, capability, and control will define this phase. We believe Poonawalla Fincorp is well placed to lead.

At Poonawalla Fincorp, we are aligned with this shift. Our lending strategy is increasingly secured and risk calibrated. Our digital systems are built for precision and scalability. Our expansion is focused on high-potential, underserved markets where demand is real, and access is limited. This environment rewards clarity of execution, operational discipline, and a long-term lens—all of which define how we operate.

India's outlook for CY 2025 remains encouraging. GDP growth is projected at 6.2%, supported by improved rural liquidity, stable urban demand, and the RBI's calibrated rate cuts.⁴ This presents a significant opportunity for responsible credit expansion, particularly in MSME and retail segments. Institutions with clarity, capability, and control will define this phase. We believe Poonawalla Fincorp is well placed to lead.

FROM TRANSFORMATION TO EXECUTION

FY 2024–25 was a turning point in the evolution of our Company. We executed first-principles restructuring across our people, products, platforms, and processes.

We strengthened our leadership by bringing in domain experts with a long-term mindset. We launched six new lending verticals across secured and unsecured categories, designed to meet the credit needs of India's rising middle

class and self-employed ecosystem. We made deliberate choices to strengthen our balance sheet, recalibrate risk models, and invest in AI-powered platforms to drive smarter, faster decision-making.

Let me emphasise, every initiative undertaken this year stemmed from strategic foresight and a firm belief in our long-term vision. We took considered decisions, invested ahead of the curve, and accelerated our evolution into a more agile, digitally empowered institution. These actions were deliberate moves to strengthen our foundation and position Poonawalla Fincorp for long-term leadership.

The results are becoming visible. Our AUM grew 42.5% year-on-year to ₹35,631 Crore. Our product suite is more diversified. Asset quality remains risk prudent, and our AAA credit rating has been reaffirmed. More importantly, we are now recognised across the market—as a credible, technology-led NBFC with a risk-first approach and the courage to reimagine.

LOOKING AHEAD WITH PURPOSE

As we enter FY 2025–26, our focus is execution. Last year was about resetting, recalibrating, and building a stronger foundation. This year is about delivering on that intent with clarity and discipline.

Our growth will continue to be led by a prudent mix of secured

and unsecured products across consumer and MSME segment. We will expand methodically across Tier-2 and Tier-3 cities, where formal credit remains underpenetrated. Profitability will be driven by operating leverage and a sharper product mix. Governance across credit, compliance, and operations will remain non-negotiable.

Technology will continue to drive scale, control, and speed. We are investing in platforms that improve credit decisions, deepen customer intelligence, and enhance service quality. Data and automation are core to how we operate.

We are building a differentiated NBFC. One that is strong at the core, agile in response, and aligned with the aspirations of rising India. Internally, we are strengthening our execution capabilities. We are building high-performance teams that operate with urgency, accountability, and trust. We aspire 5–6x AUM growth over FY 2023–24 base in 5 years.

To every stakeholder who has stayed the course, thank you. The foundation is firm. The direction is clear. The time is now.

Warm regards,

Adar Cyrus Poonawalla
Chairman
Poonawalla Fincorp Limited

¹IMF

²NITI Aayog

³ICRA

⁴IMF

Message from the Managing Director and Chief Executive Officer

Executing Change with Precision

DEAR STAKEHOLDERS,

As I present my first Annual Report as Managing Director and CEO of Poonawalla Fincorp, I am pleased to report that we have made considerable progress with conviction in the road ahead, and have strengthened the Company through robust risk, governance, and business models. FY 2024–25 was a pivotal year—both transformative in its ambition and foundational in its execution. What we undertook was not an incremental change, but a holistic strengthening across various vectors including business, risk, compliance, audit, digital journeys, and AI.

When I joined this organisation, we laid out a clear plan: to drive a full-spectrum transformation across people, products, platforms and processes. We remain committed to a risk-first approach, deep domain capability, and a technology-driven operating model. I am happy to report that we are now firmly in execution mode—and the outcomes speak for themselves.

ADVANCING AS A MULTI-PRODUCT LENDER TO MEET DIVERSE CUSTOMER NEEDS

We launched six new businesses – Personal Loan Prime Digital 24x7 for salaried professionals, Education Loan, Commercial Vehicle Loan, Shopkeeper Loan, Gold Loan, and Consumer Durable Loan, ahead of the guidance we had previously shared. These businesses have added incremental domain expertise to the Company and created opportunities for our employees to gain exposure to different businesses both on the product and risk side, distributions, and risk metrics. The response to these products in the market has been highly encouraging, with a visible impact on daily and monthly business run rates, fuelling continued growth and excellence.

CULTURE - HIGH PERFORMANCE, CONTINUOUS IMPROVEMENT

As we laid down a strong foundation by expanding our product portfolio, we continue to build a culture driven by high performance and high intensity, and deep expertise across our leadership team. We have brought together an elite retail lending team, comprised of specialists for

every product and programme, backed by exceptional risk management expertise.

We are embedding the mindset of an athlete into our workplace, led by resilience, determination, and a commitment to continuous improvement. These qualities serve as the fundamental building blocks of our culture.

BUILDING AN INTELLIGENT PLATFORM TO CREATE A COMPETITIVE EDGE

Looking ahead, our journey towards becoming the smartest Company is gaining momentum, with technology providing a strong competitive edge. We are driving innovation through AI, digital journeys, and risk analytics, which are emerging as three key differentiators in assessing customers with speed and agility.

We have launched 25 AI initiatives, combining AI with human intelligence to drive efficiency and innovation across functions. Our four-year partnership with TIH at IIT Bombay will further accelerate AI-driven transformation, shaping the future of our organisation.

Additionally, our expertise in developing 24x7 digital journeys with enhanced experiences for customers is set to be a game-changer, enhancing our edge in personal loans and business loans. We are confident that this transformative step will redefine the customer experience and firmly position us as a leader in digital lending solutions in the next 4-6 quarters.

BALANCING INNOVATION WITH A RESPONSIBLE RISK AND GOVERNANCE

As we advance our efforts in AI and digital journeys, we remain deeply committed to managing risks responsibly and the highest standards of governance.

Leveraging the strong expertise of our seasoned leadership team, we have developed robust product and risk expertise across asset classes. This is further supported by AI-powered risk analytics, empowering our teams with actionable data and insights across the entire business spectrum, right from sourcing and underwriting to collections.

This commitment to responsible risk is matched by equally strong discipline in governance and execution. We implemented AI-based early warning systems, and enhanced internal audit protocols. These initiatives are helping institutionalise proactive risk visibility.

DEEPENING OUR FOOTPRINT WITH PURPOSE AND RESPONSIBILITY

As we continue to strengthen our footprint in the fast-growing lending segment, our governance-first, risk-first, and customer-first approach continues to guide us. By simplifying lending and enhancing experiences, we remain committed to creating customer delight and lasting relationships. Our commitment to embracing this mindset has been key to delivering on our promises and strengthening customer trust.

STRATEGIC INVESTMENTS AND FINANCIAL PERFORMANCE

Our AUM grew by 42.5% year-on-year to ₹35,631 Crore, underscoring the momentum across our portfolio.

We reported a 23% YoY growth in Net Interest Income (including fee and other income) to ₹2,708 Crore and a steady Pre-Provision Operating Profit of ₹1,417 Crore. The growth was achieved while absorbing ₹71 Crore of one-time Opex and continued investments in new products. Our PAT stood at ₹(98) Crore as a function of one-time strategic provisioning of ₹666 Crore on erstwhile STPL portfolio, one-time expenses and

investments in new products. For this financial year, we are confident of robust AUM growth and healthy profits. We are building a sustainable profitable model for years.

OUR ESG COMMITMENT

On the ESG front, we took concrete steps to align with SEBI's BRSR Core framework. Our commitment to transparency and accountability remains strong, with governance as a core pillar.

Environmentally, we reduced our ecological footprint through sustainable waste management and encouraged responsible water and energy usage among stakeholders.

Socially, we advanced diversity, equity, and inclusion through progressive policies and targeted training. Customer-centricity remains central to our ethos, complemented by active CSR initiatives that uplift the communities we serve.

NEXT PHASE FORWARD

I am pleased to share that the Company is well-poised and ahead of the curve for sustained growth. We have outlined a clear roadmap of building blocks, backed by well-calibrated risks.

Our priorities are clear. We are strengthening the building blocks and focusing on all our businesses to drive AUM growth this financial year. While we are looking at a healthy growth in profits. The core aim for us is to diversify risk through multiple products and create a sustainable profit model, that's what we are striving to achieve through the initiatives outlined above.

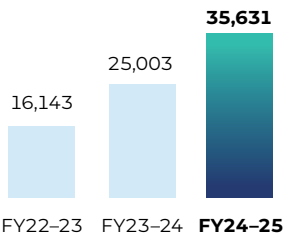
Thank you for your continued trust.

Arvind Kapil
Managing Director and CEO
Poonawalla Fincorp Limited

Key Performance Indicators

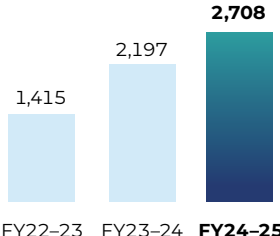
Recalibrated. Growth-Oriented. Delivered on Performance.

Asset under Management
(₹ Crore)



AUM grew by 42.5% YoY in FY 2024–25, marking another year of high-quality expansion. The growth was led by disciplined origination across both secured and unsecured verticals, and continued execution through phygital distribution and fully digital journeys. This sustained momentum underscores our ability to scale responsibly while maintaining strong asset quality.

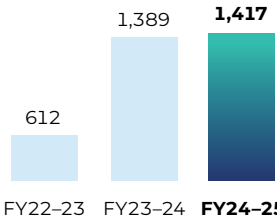
Net Interest Income (NII)*
(₹ Crore)



Net Interest Income (NII) including fee and other income grew by 23% in FY 2024–25, reaching ₹2,708 Crore from ₹2,197 Crore in FY 2023–24. The growth is driven by higher mix of portfolio in secured lending verticals.

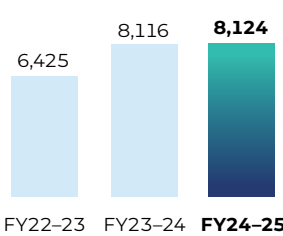
*NII inc of fee and other income.

Pre-Provision Operating Profit (PPOP)
(₹ Crore)



PPoP stood at ₹1,417 crore (compared with ₹1,389 crore last year), and registered a steady growth in FY 2024–25, after considering one-time opex, continued investment in new products and collection infrastructure.

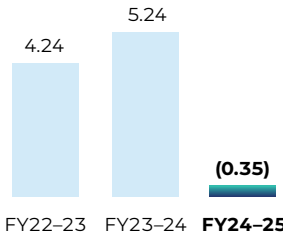
Shareholders' Fund#
(₹ Crore)



The shareholders' funds continue to be healthy at ₹8,124 Crore with strong capital adequacy ratio of 22.94% which gives us enough head room to grow our AUM.

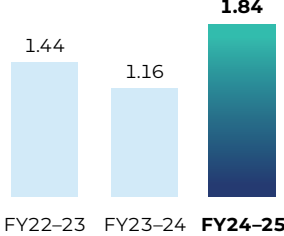
Net of treasury shares and treasury reserve of ₹187 Crore and ₹255 Crore for FY 23-24 and FY 2024-25 respectively.

Return on Assets (ROA*)
(%)



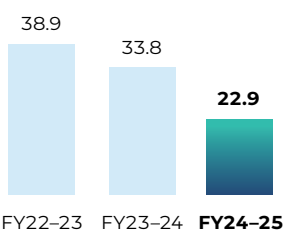
*ROA declined mainly due to a one-time accelerated provisioning of ₹666 Crore in Q2 FY 2024-25 on the erstwhile STPL book, along with continued investment in new business lines and ₹71 Crore one time opex. However, fundamentals remain strong at the core business level.

Gross NPA
(%)



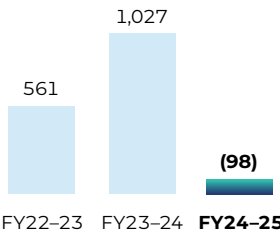
The GNPA ratio as of March 2025, while remaining healthy at 1.84%, was elevated vis-à-vis March 2024 due to stress experienced in the erstwhile STPL portfolio. The portfolio was swiftly recalibrated by updating the underwriting model coupled with strengthening of the collection infrastructure. This is evident from the improvement in the monthly bounce and flow metrics with significant reduction in slippages.

Capital Adequacy Ratio
(%)



The capital adequacy ratio remains comfortably above the regulatory threshold, providing enough head room for future growth.

Profit/ Loss After Tax*
(₹ Crore)

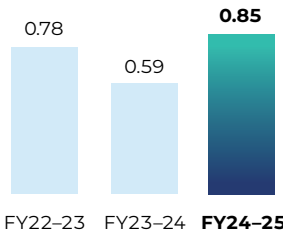


The profit/ loss after tax was impacted during the year mainly due to a one-time accelerated provisioning of ₹666 Crore in Q2 FY 2024-25 on the erstwhile STPL book, along with

continued investment in new business lines and ₹71 Crore one time opex. However, PAT continued to improve QoQ with bottom-out in Q2FY 2024-25, on account of sequentially lower credit costs QoQ. The Company recalibrated small ticket personal loan, strengthened credit underwriting for the product and collections in line with its Risk-first approach. This led to 70% improvement in early bucket flows in the new origination and early cheque bounces reduced to 1/3rd for new STPL origination. Excluding one-offs, core profitability remains strong.

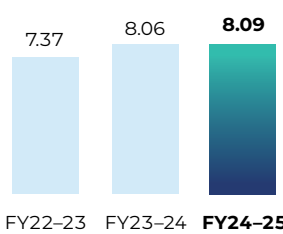
*Excluding exceptional items where applicable.

Net NPA
(%)



The NNPA ratio as of March 2025 was healthy at 0.85%, albeit increasing vis-à-vis March 2024 on the back of increase in GNPA ratio. Provision Coverage Ratio (PCR) stood at 54.5% as on March 2025, as compared to 49.4% as on March 2024.

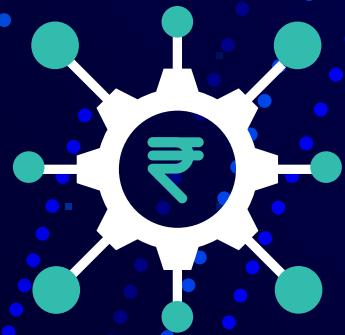
Cost of Borrowing
(%)



Despite a challenging interest rate environment, the Company managed to optimise its borrowing cost through diversified liability strategy. During the year, the Company has raised funds through ECB route for an amount upto \$175 Million

(~ ₹1,477 Cr) at competitive rates contributing to the Company's cost optimisation and diversification strategies. Going forward the Company's debt strategy will have a bias towards long-term funding through NCDs and prudent balance of long-term to short-term funds and cost of borrowing. In line with this objective, the Company further raised ₹1,525 Cr in April 2025 through NCD. Accordingly contribution of NCD increased to 12% of the total borrowings in April 2025 as against the 6% as of March 2025.

All financial figures presented herein reflect FY 2024-25 results and are based on standalone financial statements



CAPITAL STRENGTH AND DIVERSIFIED BORROWINGS

Following a year defined by disciplined expansion and strong operational execution, our capital structure and borrowing framework remain foundational to our stability. The key performance metrics outlined earlier highlight the strength of our balance sheet.

Our capital adequacy ratio of 22.94%, remains well above regulatory thresholds providing the capacity to absorb shocks and fund growth without compromise. Our long-term rating of CRISIL AAA/Stable and CARE AAA;Stable along with short-term ratings of Crisil A1+ and CARE A1+ reflect stakeholder confidence and validate our conservative approach to leverage and asset quality.

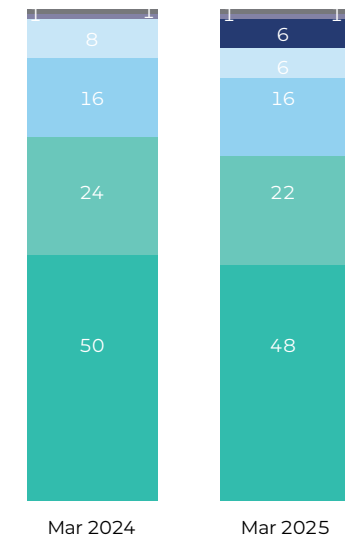
A significant development was the doubling of non-convertible debenture (NCD) contribution to our borrowing mix from ~6% in March 2025 to ~12% in April 2025 enhancing maturity profile and funding stability.

What Sets our Capital Strategy Apart

- High capital buffers supporting scalable growth
- Balanced secured-unsecured on book asset mix (57:43) as on March 31, 2025
- Diversified borrowing channels and instruments

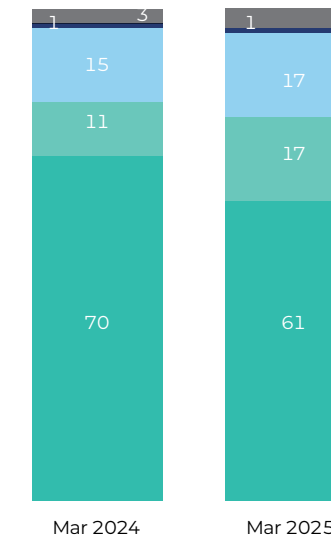


Instrument Wise



- Term Loan
- CC/WCDL
- CP
- NCD
- ECB
- Sub Debt (NCD + TL)
- Others

Institution Wise



- Bank
- FI
- Mutual Fund
- Insurance
- Others

- Total borrowings as on Mar 31, 2025, at ₹25,881 Crore. Diversified borrowings across instruments and institutions.
- 70% of borrowings are on variable rate
- Low leverage with D/E of 3.2x, providing enough headroom for growth
- Healthy mix of short-term and long-term borrowing, ensuring positive ALM and optimised cost of borrowing

22.94%

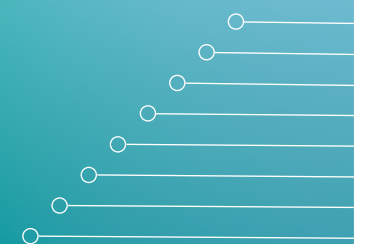
Capital Adequacy Ratio

During the past year, we have increased focus on diversification of borrowing, across instruments and institutions

Way Forward

Enabling growth at optimal cost of borrowing

- Well diversified borrowing mix
- Increased focus on NCD and ECB
- Strengthening banking relations and expanding investor classes
- Ensuring adequate liquidity at all times
- Leveraging our strengths, viz, strong parentage, capitalisation and experienced management



Operating Context

Intent-Led Response to a Changing Landscape

The business environment we operate in continues to evolve across economic, regulatory, and technological dimensions. Structural shifts in consumer behaviour, increased policy oversight, and accelerated digital adoption are reshaping how financial services are accessed and delivered. For Poonawalla Fincorp, this change is an opportunity to lead with agility, relevance, and responsibility.

Macroeconomic Landscape

FOUNDATION FOR RESPONSIBLE LENDING

India's economic outlook remains robust. India's GDP growth rate of 6.5% for FY 2024–25, supported by strong private consumption, infrastructure-led capex, and service sector expansion.¹ Retail inflation has moderated to 3.34% as of March 2025, its lowest in over five years, improving household purchasing power and enabling an accommodative monetary stance.²

This macroeconomic stability is translating into rising demand for formal credit, particularly in consumption-led and income-generating segments across semi-urban and emerging regions.

6.5%
India's GDP Growth Rate

OUR RESPONSE

We have aligned our offerings to this momentum by scaling up targeted lending solutions:

- PL Prime caters to salaried professionals from leading corporates, offering quality origination and long-term value and our flagship PL Prime Digital 24x7 product offers industry-first fully end-to-end digital personal loan for quick and convenient access to credit.
- Digital PL end-to-end digital loans to individuals for all consumption purposes e.g., travel, medical, emergency lifestyle purchases, offering instant approval and quick disbursement.
- Shopkeeper Loans addresses key financial challenges faced by small retailers and kirana stores, including cash flow, inventory, and customer management, while enhancing their operational efficiencies.

These solutions are delivered through our digital and physical channels, ensuring accessibility without compromising risk and efficiency.

STRATEGIC LINKAGE

Our product development cycle is closely tuned to macroeconomic indicators and consumption patterns. This alignment enables optimal capital allocation, disciplined growth, and resilient portfolio performance.

Sectoral Trends

FORMALISATION, SPECIALISATION AND REACH

India's NBFC sector continues to demonstrate strong momentum. Credit growth is expected to moderate to 13–15% in FY 2024–25 and FY 2025–26, with this trajectory likely to persist into the first half of FY 2025–26.³ This trend is being driven by rising credit awareness, growing digital engagement, and deeper financial inclusion across underserved segments. Formalisation of credit demand is evident in segments such as used vehicles financing, gold-backed loans, and consumer durable financing.

These trends point to increased demand from both new-to-credit customers and established borrowers seeking faster, more flexible access to funds.

OUR RESPONSE

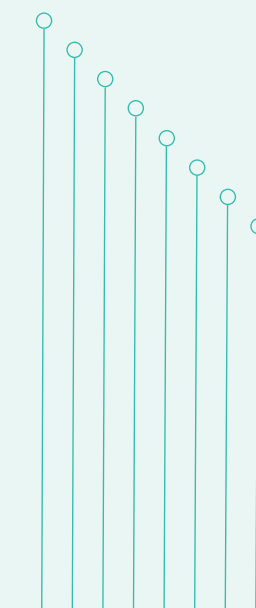
We have expanded our product suite to meet evolving customer needs:

- CV Loans, Gold Loans, and Consumer Durable Loans have been introduced as part of a focused push into underpenetrated segments.
- We committed to opening 400 dedicated gold loan branches by March 2026, enabling wider geographic reach and in-person servicing capabilities.
- Cross-selling capabilities are being embedded across our lifecycle offerings to improve customer retention and enhance overall unit economics.

Our phygital distribution model supports scalable, cost-effective delivery across customer cohorts.

STRATEGIC LINKAGE

Our expansion strategy is guided by granular customer segmentation, product-level profitability, and lifecycle value creation. This ensures that growth is both opportunity-driven and risk-calibrated.



¹PIB ²PIB

³ICRA

Regulatory Landscape

GOVERNANCE AS A STRATEGIC ASSET

The regulatory environment for NBFCs is becoming increasingly rigorous, with the Reserve Bank of India focusing on customer protection, operational transparency, and systemic risk mitigation. Recent changes include:

- Stricter digital lending guidelines
- Revised norms on FLDG and outsourcing frameworks
- Enhanced capital and liquidity standards impacting bank credit to NBFCs

These changes are aimed at strengthening the sector's resilience and improving long-term trust among stakeholders.

OUR RESPONSE

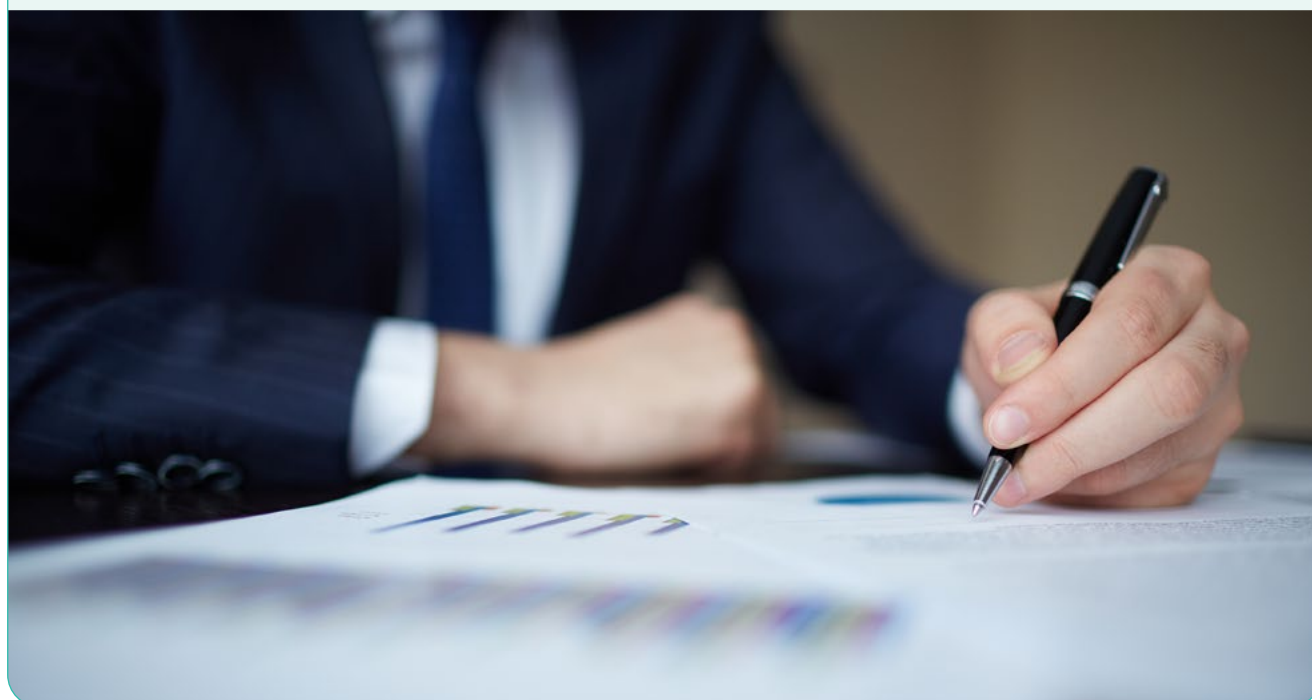
We have reinforced governance at every level of our operations:

- Rolled out consent-based, transparent digital journeys for all new lending interactions
- Strengthened our grievance redressal systems and embedded audit controls
- Diversification of borrowing sources

These measures ensure readiness for evolving regulatory expectations while delivering consistent experience to customers.

STRATEGIC LINKAGE

By embedding governance into our core operations, we strengthen our ability to grow responsibly. Regulatory alignment is not just about compliance; it reflects our institutional maturity and market credibility.



Technology and AI

DRIVING INTELLIGENT SCALE

Digitalisation across the NBFC space has moved beyond access—it now drives efficiency, agility, and personalisation. Industry studies show that data-driven and AI-enabled platforms can significantly reduce operational costs while increasing customer satisfaction and speed-to-decision.

34-38%

Improved productivity of Indian Financial Services with use of Gen AI by 2030⁴

OUR RESPONSE

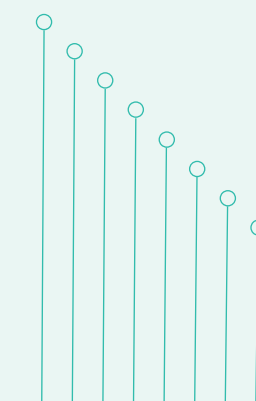
We have adopted an AI-first approach to transform internal processes and customer engagement:

- Seven AI initiatives were launched across HR, credit, collections, risk, and compliance. 18 initiatives are in pipeline
- Intelligent systems have reduced hiring time, improved decision turnaround, and enhanced fraud detection
- Our customer-facing app is evolving into a one-stop hub for onboarding, servicing, and support

Technology is now embedded across the credit lifecycle—from pre-screening and risk assessment to collections and analytics.

STRATEGIC LINKAGE

Our investment in AI and automation strengthens both customer-centricity and operating efficiency. It allows us to adapt quickly to market needs, manage risk proactively, and expand our reach without proportional increases in cost or complexity.

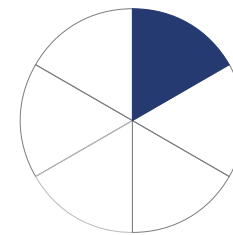
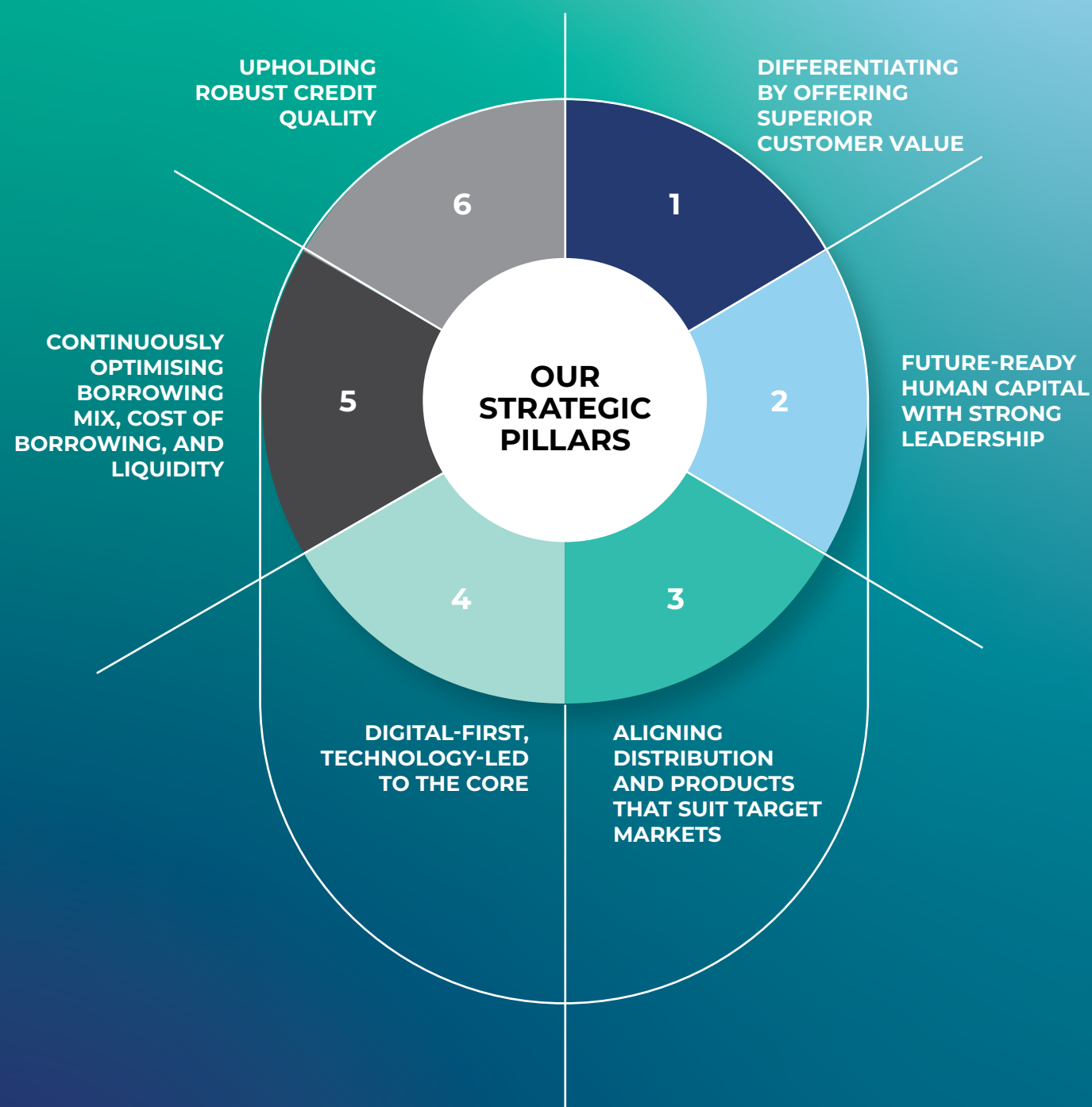


⁴EY

Our Strategy

Building a Future-Ready Financial Ecosystem

Our strategic roadmap is rooted in disciplined execution, customer-first design, and a deep focus on technology, risk management, and human capital. The intent is to drive sustainable performance while responding to evolving credit needs with agility and precision.



Strategy 1

DIFFERENTIATING BY OFFERING SUPERIOR CUSTOMER VALUE

In FY 2024–25, Poonawalla Fincorp continued to prioritise customer-centricity, leveraging digital innovations and streamlined processes to enhance the overall customer experience. The Company's focus on minimising paperwork, reducing human intervention, and employing advanced data analytics has resulted in faster and more efficient financial services.

IMPACT AND PERFORMANCE HIGHLIGHTS

End-to-End Digital Journey

Digital capability across core loan offerings from disbursal to servicing.

Turnaround Time (TAT)

Consistently reduced TAT, positioning the Company among the best in the industry for prompt loan approvals and disbursals.

Customer Engagement

Maintained continuous engagement across the customer lifecycle, promoting long-term relationships and trust.

Digital Platforms

Enhanced digital platforms to offer round-the-clock customer service accessibility, ensuring support is available whenever needed.

Distribution Model

Strengthened the distribution model to reach a broader customer base, leveraging both digital and physical channels.

Technology Integration

Utilised advanced analytics and automation to personalise offerings and expedite loan approvals.

OUR APPROACH

Personalised Financial Solutions

Utilising advanced analytics to customise offerings for each individual customer

Scalable Digital Infrastructure

Investing in technology to support growth and enhance service delivery.

Digital-First Distribution Models

Expanding reach through digital channels while maintaining physical presence where necessary.

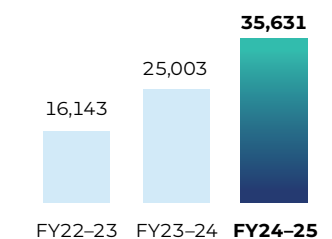
Simplified Lending Processes

Reducing friction in lending through policy and technological advancements.

Trust and Transparency

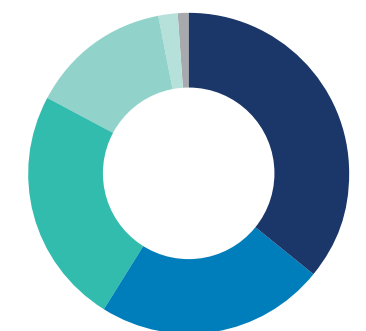
Upholding strong governance practices to build and maintain customer trust.

AUM (₹ Crore)



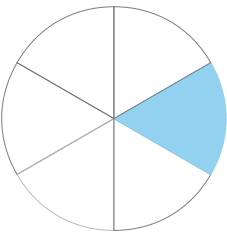
- AUM as on March 31, 2025 ₹35,631 Crore
- Growth since Q4 FY22: ~3x over 3 years (₹35,631 Crore Vs ₹11,765 Crore AUM)

Product-wise AUM Contribution (as of 31 March 2025) (%)



- MSME Lending (Secured + Unsecured) **36%**
- Personal and Consumer **23%**
- Loan against Property **24%**
- Pre-owned Car **14%**
- Discontinued (Legacy + Direct Assignment) **2%**
- Others – (Auto Lease/ Medical Equipment/ Machinery Loans/TW) **1%**

Our Strategy



Strategy 2

ALIGNING DISTRIBUTION AND PRODUCTS THAT SUIT TARGET MARKETS

In FY 2024–25, we continued to sharpen our go-to-market strategy through targeted distribution and product innovation, closely aligned with customer needs and aspirations. We are significantly strengthening our omnichannel footprint seamlessly integrating direct sourcing with a robust and scalable digital infrastructure to drive reach, efficiency, and customer engagement.

Through sustained product refinement and strategic partnerships, we enhanced affordability, convenience, and speed for our borrowers—especially in underserved or digitally-savvy segments. Our technology-led and risk-calibrated approach enabled precision-targeted offerings while ensuring robust asset quality.

Impact and Performance Highlights

- Enhanced conversion rates across digital channels through intelligent underwriting and dynamic customer journeys
- All key businesses emerged as strong growth drivers, with healthy customer stickiness and X-sell ratios, enhanced through lifecycle marketing interventions and behavioural segmentation

Our Approach

- Expanded the DDP ecosystem by strengthening partnerships with digital platforms, fintechs, and aggregators to increase reach and volumes
- Refreshed mobile application interface to offer faster, frictionless journeys for digital personal loans and loan top-ups
- Continued focus on Customer Lifetime Value (CLTV), enabling richer data-driven cross-sell and retention strategies
- Maintained a technology-first approach across onboarding, underwriting, and servicing, underpinned by robust risk analytics
- Introduced intelligent nudges and customer engagement journeys to boost activation and usage across the lifecycle

CHANNEL TYPE	DESCRIPTION	STRATEGIC BENEFITS
Direct Channel	In-house sourcing through branches and call centres	Enabled personal engagement and upsell of larger ticket sizes
Digital Channel	In-house sourcing through web, app, social, and third-party integrations	Boosted growth, lowered costs, and enabled agile market rollouts
Digital Ecosystem	Tie-ups and alliances via the DDP framework with digital platforms and fintechs	Drove lead generation, higher conversions, and improved risk-adjusted profitability

OUR PRODUCT SUITE- OPTIMISED SECURED AND UNSECURED MIX OF PRODUCTS

Core Offerings

- Loan Against Property
- Business Loan
- Pre-Owned Car
- Professional Loan
- Mid-market and NBFC
- Machinery and Medical Equipment Loan
- Prime Personal Loan
- Digital PL
- Education Loan
- Commercial Vehicle Loan
- Shopkeeper Loan
- Consumer Durable Loan
- Gold Loan

All products are integrated into the DDP ecosystem, enabling real-time decisioning, simplified documentation, and competitive pricing.



Strategy 3



DIGITAL-FIRST, TECHNOLOGY-LED TO THE CORE

In FY 2024–25, inline with our digital-first approach, we solidified our position as a tech-enabled NBFC designed for growth, agility, and customer-centricity. As the lending industry rapidly evolves, we focused on enhancing digital journeys, driving innovation through technology, and expanding our backend architecture capabilities.

Our digital strategy centred on enhancing three core pillars that form the foundation of a future-ready lending ecosystem:

- Offering best-in-class customer experience across all touchpoints
- Enhancing organisational efficiency through tech-driven operations
- Driving innovation via a robust back-end infrastructure and lending systems

Our Approach

Deep Investments in Technology

We have expanded our technology infrastructure to support high-volume, real-time lending, integrating intelligence, security, and automation across the business lifecycle.

CORE CAPABILITY	FOCUS AREA
Microservices	Modular and scalable tech architecture for agile deployment
Cloud	Cloud-first applications for enhanced flexibility, growth, and seamless accessibility
API Factory	Plug-and-play API stack for integrations with partners, platforms, and regulators
Information Security	Enterprise-grade cybersecurity with multi-layered threat defence

Our Strategy

IMPACT AND PERFORMANCE HIGHLIGHTS

- Expanded sales process digitisation with enhanced lead tracking and workflow automation
- Strengthened API backbone to support embedded finance partnerships
- Deployed AI/ Machine Learning-driven credit decisioning tools and behavioural scorecards
- Enhanced robotic process automation (RPA) for underwriting, collections, and compliance
- Upgraded our IT Command Centre for real-time monitoring of digital operations and service uptime
- Rolled out a data lakehouse to improve real-time analytics and business intelligence capabilities

ORGANISATION-WIDE BENEFITS

STAKEHOLDER GROUP	KEY BENEFITS
Organisation	- Improved productivity, lower costs, and faster TATs 24x7 digital monitoring and troubleshooting - Scalable infra to support growth ambitions
Customers	- Seamless, contactless journeys across web, app, WhatsApp and call centres - Digital onboarding with real-time approval and disburseals
Partners	Integrated CRM, system-driven payouts, and custom risk filters

Outcomes

Focus on Customer/Partner Advocacy

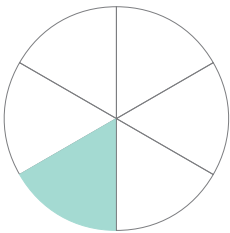
- Enabled seamless omni-channel journeys across call centres, branches, mobile app, website and WhatsApp
- Automated workflows and paperless submissions for partner onboarding

End-to-End Digitised Lending

- Key products now offer digital onboarding with e-KYC, e-agreement, e-NACH, and BRE-driven decisions

Advanced Data Analytics

- Leveraged a revamped data lake and analytics platform for real-time segmentation, lead scoring, and risk profiling
- Propensity models deployed for targeted upsell and pre-approved offers, resulting in same conversion rates
- Developed predictive models for delinquency and early warning, improving risk-adjusted returns
- Deployed collection effectiveness scorecards, contributing improvement in recovery rates



Strategy 4

UPHOLDING ROBUST CREDIT QUALITY

As we scale our offerings and expand our customer base, maintaining high credit quality remains a strategic priority. Through prudent underwriting standards, proactive customer engagement, and timely risk intervention, we ensure the long-term stability and health of our loan book. Our credit risk approach is designed to be resilient, adaptable to market cycles, and aligned with our goal of sustainable, quality-driven growth.

Impact

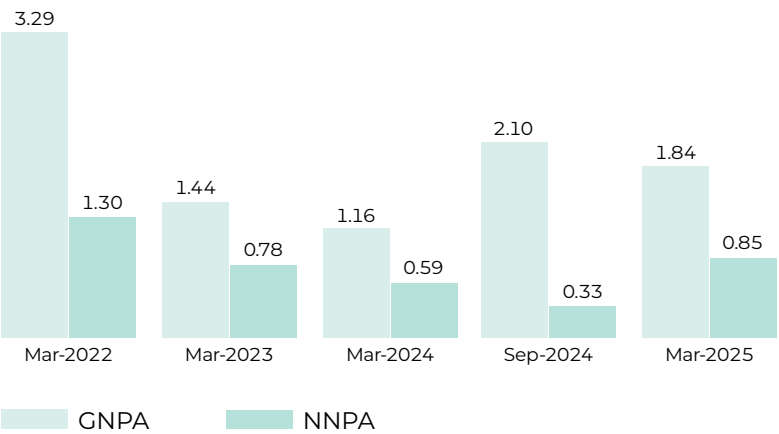
- High-quality borrower profile
- Real-time monitoring of early warning signals to detect stress before default
- Prudent underwriting

Outcomes

- Delinquency and slippage ratios within control, showcasing proactive risk management
- STPL book recalibrated. Recalibrated STPL book is showing the bounce rate and collection efficiency on expected lines

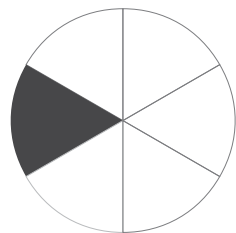


Healthy and Stable Asset Quality (%)



Despite expanding our AUM by over 42.5% YoY to ₹35,631 Crore in FY 2024-25, we sustained healthy asset quality, reflecting disciplined credit controls and data-backed risk practices.

Our Strategy



Strategy 5

OPTIMISING COST OF BORROWING AND LIQUIDITY

We focus on prioritising financial prudence and cost efficiency. Through superior credit ratings, strategic lender partnerships, and disciplined ALM, we continue to access diversified, cost-effective capital. These efforts support scalable growth on the back of strong liquidity.

Impact and Performance Highlights

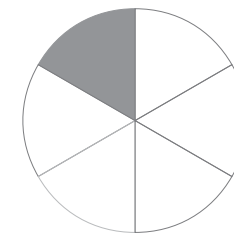
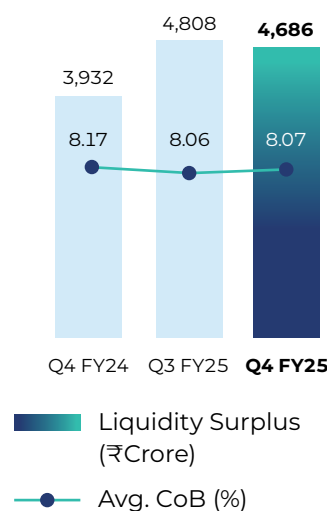
- Long-term credit rating of CRISIL AAA/Stable and CARE AAA/Stable
- Broadened lender base including banks, financial institutions, mutual funds, insurance companies and corporate treasuries
- Enhanced focus on long term borrowings through NCD and ECB which helped in optimising cost of borrowing and improving borrowing mix
- Dynamic ALM and periodic stress tests



Outcomes

- Reduced average cost of borrowing (CoB) by 10bps YoY amidst elevated interest rate scenario
- Liquidity coverage comfortably above regulatory norms
- Improved lender confidence, enabling access to longer-tenure and lower-cost funding instruments

Cost of Borrowing and Liquidity Snapshot



Strategy 6

BUILDING A FUTURE-READY ORGANISATION

In a dynamic financial ecosystem, organisational agility and a strong internal culture are critical enablers of long-term success. We are committed to building a resilient and future-ready workforce by embedding digital and AI fluency, nurturing leadership, and enhancing operational efficiency. Our initiatives focus on fostering employee ownership, continuous learning, and a sustainable and collaborative work environment. This approach not only empowers our people but also aligns with our brand promise 'Enabling You' by equipping employees with the tools, capabilities, and environment needed to succeed and grow.



Key Highlights

- A young and dynamic workforce
- Leadership townhalls on an ongoing basis to further strengthen communication and transparent approach
- 83% of employees covered under objective scorecards, basis engagement survey results
- Introduced education benefits for middle management
- Build Leadership programmes covering 66% of managers and leaders

Impact

- Strengthened culture of transparency, ownership, and recognition
- Future-ready workforce with cross-functional upskilling and reskilling programmes
- Enhanced digital and AI fluency, along with internal collaboration, through AI-driven process upgrades
- Enhanced employee experience through holistic incentives and engagement initiatives

Outcomes

- Built high trust and engagement based on employee engagement survey results and the actions taken thereafter

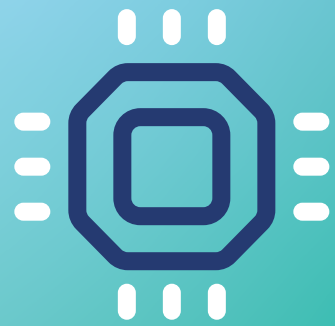
- Agile workforce aligned with business objectives and digital transformation goals
- Empowered employees with clearer career progression and leadership development
- Increased retention and productivity through recognition-driven incentive models

82.4%

Employees engaged in digital learning pathways

5,600+

Total leadership development hours completed



SCALING EFFICIENCIES WITH AI-LED EXECUTION

AI and digital systems are now at the core of how we operate—reshaping underwriting, collections, HR and customer service. They help us make smarter credit decisions, detect fraud in real time, and engage customers more effectively, making us faster, sharper and future ready.

A total of 25 AI initiatives were in progress—7 fully deployed and 18 in various stages of implementation.

Story 5

AI AT THE CORE

Our AI-first model now touches every phase of the lending lifecycle—from pre-screening to disbursal, from collections to customer servicing.

- Prospect profiling is sharper, powered by alternate data
- Onboarding with improved TAT basis robust system built on AI, seamless, with document parsing and instant verification
- Underwriting is faster and rules-based, tailored by segment
- Collections is driven by geo-optimised field strategies and predictive bounce analytics
- Customer servicing is adaptive and multilingual, aided by NLP-powered chatbots

This has led to marked improvements in turnaround time, credit quality, and cost efficiency.

FROM INTERFACE TO INTELLIGENCE

We reimagined our mobile app and web portal into a unified customer command experience. Today, more than four-fifths of our disbursements happen digitally. Our platform enables:

- Seamless digital onboarding with auto-filled forms and instant verification
- Personalised dashboards with loan tracking, EMI calculators, and servicing tools
- AI-driven prompts for cross-sell, pre-approved limits, and timely nudges

FUNCTION	AI-LED CAPABILITY
Underwriting	GST and AA-based scoring, BRE-led auto-approval
Collections	Persona-based models, bounce prediction, field allocation
Compliance	Document anomaly detection, policy review automation
HR	Resume parsing, attrition prediction, chatbot-based support
Customer Support	Agent assist, intent prediction, issue routing

35-40%

of Credit Manager Productivity Gain

10x faster

Recruitment Turnaround via AI assistants

80+

Daily Micro-Campaigns with Zero Human Input

40%

Bounce Rate Reduction in Select Segments

Our MarTech stack now enables continuous experimentation across app and web, powering 80+ automated campaigns per day with zero human input.

AI-BACKED PRODUCT EXPANSION

Each of the following was launched and scaled in FY 2024-25 using AI-first origination and scoring models:

- **PL Prime:** Alternate data underwriting for salaried customers
- **CV Loans:** Pricing models linked to asset valuation and borrower profile

- **Consumer Durable Loans:** POS-led credit with built-in cross-sell logic
- **Shopkeeper Loans:** Lightweight digital sourcing and credit filter integration
- **Gold Loans:** AI-based branch selection strategy

These products are not just digitally distributed. They are digitally governed enabling fast scale with tight controls.

WHAT COMES NEXT

Our next frontier is platformisation transforming from a digitally enabled NBFC to a modular, API-ready credit platform.

Key Focus Areas Include:

- API integrations: Developing plug-and-play interfaces for fintechs, banks, and merchants to embed our credit products, enabling scalable distribution without added infrastructure
- Embedded finance: Building lending-as-a-service offerings where credit is contextual, seamless, and invisible, with partnerships across insurance, education, consumer durables, and B2B commerce
- Adaptive systems: Leveraging AI that learns from real-world behaviour to drive agile product design, smarter underwriting, and dynamic risk calibration





SUPERIOR RISK GOVERNANCE

In FY 2024–25, our risk framework enabled disciplined growth as we entered new segments and geographies. Powered by analytics, AI, and early warning tools, it strengthened underwriting, refined customer selection, and preserved asset quality.

Story 6

STRENGTHENING THE RISK-RETURN EQUATION

In FY 2024-25, risk governance was applied across the entire customer lifecycle—from onboarding to collections—making it a key driver of business performance. Our risk architecture shaped product design, customer segmentation, and execution strategy, supporting consistent asset quality and disciplined growth.

RISK GOVERNANCE IN ACTION

AREA	EXECUTION AND IMPACT
STPL Portfolio Recalibration	STPL portfolio strengthened, with 70% better early flows and two-thirds drop in cheque bounces.
AI-enabled Underwriting	Improved turnaround times; enhanced credit manager productivity by 35–40%
Predictive Collections Models	Enhanced segmentation, agent targeting and risk-based recovery optimisation
Provisioning Strategy	PCR improved from 49.39% to 54.47%, absorbing ₹666 Crore in one-time provisioning on STPL book
Product-level Guardrails	Every new vertical launched with risk-calibrated scorecards and thresholds

INTELLIGENT RISK IN ACTION

We strengthened our risk governance by integrating advanced technology with structured oversight across all critical functions. Through the deployment of AI-powered tools and data-led systems, we brought real-time intelligence into everyday decision-making enabling faster responses, sharper segmentation, and improved control across a growing and diverse portfolio.

FUNCTION	KEY ENABLERS	EXECUTION AND IMPACT
Underwriting	AI/ Machine Learning models, multi-bureau data, enriched customer personas	Sharper segmentation and precise approval decisions
Collections	Behavioural scoring, voice analytics, persona-based engagement	Targeted interventions and improved recovery efficiency
Fraud Risk	Real-time analytics, graph-based anomaly detection, AI-supported monitoring	Early detection and mitigation of suspicious activity
Audit and Compliance	AI tools for issue detection, regulatory scanning, and root-cause analysis	Strengthened internal controls and proactive compliance
Portfolio Oversight	Live risk registers, early warning indicators, alignment with Risk Appetite Statement (RAS)	Real-time visibility and timely corrective actions

MEASURABLE PORTFOLIO OUTCOMES

Even as we expanded into new product categories—such as education loans, gold loans, shopkeeper finance, and commercial vehicles—our asset quality remained stable, supported by risk-calibrated scorecards and process-level guardrails.

Key Indicator	FY 2024-25 Performance
Gross NPA (GNPA)	GNPA was at 1.84%
Net NPA (NNPA)	NNPA was 0.85%
Provision Coverage Ratio	54.47% – strengthened with forward-looking provisioning
Capital Adequacy Ratio	22.94% – comfortably above regulatory minimum
Credit Ratings	CRISIL AAA /Stable and CARE AAA /Stable

BOARD-LED RISK OVERSIGHT

Risk governance is actively driven at the highest level. The Risk Management Committee (RMC) met four times during FY 2024-25 to review key risks and monitor mitigation strategies.

Macroeconomic and Sector Trends	Portfolio Review	Liquidity, Interest Rate and Market Risk	Compliance with RAS
Operational Risk Review	Fraud Risk Review	Information Security Risk Review	Review of Various Policies

This top-down supervision was supported by our operational risk teams and the Risk Containment Unit (RCU), which maintained control frameworks, early warning mechanisms, and function-specific audits.

CORE TOOLS ENABLING RISK EXECUTION

AI-powered scorecards for new customer segment	Predictive voice analytics	Real-time Integrated Risk Register	Stress testing of liquidity, credit, and interest rate shocks
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RISK-READY FOR SCALE

Building on our risk management foundation, we continue to apply the framework actively across new products, geographies, and channels. Risk is not a checkpoint—it is central to how we grow responsibly, allocate capital, and maintain control as the business evolves.

Our focus remains on :			
Asset Quality	AI and Alternate Data	Fraud and Compliance	Risk Ownership at Field Level
Maintain portfolio strength as we expand product offerings	Deepen integration into decision engines across the credit lifecycle	Enhance controls through real-time analytics and automation	Strengthen frontline accountability through structured training

Risk Management and Compliance

Choosing the Right Opportunities and Balancing Risks

This year, we continued to advance our integrated risk management framework, designed to identify material risks early, evaluate them consistently, and implement structured mitigation strategies. Risk oversight is embedded at all levels of decision-making, supported by regulatory alignment, real-time data analytics, and scenario-based planning to proactively anticipate and manage emerging threats.

COMPREHENSIVE RISK GOVERNANCE FRAMEWORK

Our risk strategy is grounded in an integrated architecture that spans credit, operational, liquidity, information security, regulatory, and fraud risk. This 360° view of risk is embedded into our decision-making processes and fully aligned with our growth model.

In FY 2024-25, the RMC met four times to review risk trends, stress test results, and mitigation plans in accordance with RBI's Scale-Based Regulation and SEBI Listing Regulations.

Key Pillars of Risk Management Strategy

Focus on Retail Lending

We maintain a granular retail loan portfolio with low concentration risk and a prudent mix of secured and unsecured products.

Product Diversification

We ensure risk-calibrated growth by catering to diverse customer segments, including salaried professionals, MSMEs, and mid market corporates.

Extensive Use of Analytics

We leverage bureau data and alternate data sets to enable sharper customer segmentation and risk-adjusted pricing.

Strengthened Monitoring and Governance

Our Through-The-Door (TTD) credit monitoring model facilitates real-time intervention and performance tracking across the portfolio.

Lending Framework Modernisation

We have embedded AI/ Machine Learning tools into our underwriting and risk modelling processes to enhance credit judgement and portfolio stability.

We have put in place a well-established Internal Capital Adequacy Assessment Process (ICAAP), designed to identify, monitor, and provision for material risks. Our Board of Directors, supported by the Risk Management Committee (RMC), plays an active role in risk strategy formulation.

ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

ERM is governed through our Integrated Risk Management (IRM) Policy — a centralised risk philosophy that applies across all functions and business units. We rely on following to continuously evaluate and strengthen our risk response mechanisms :

- Key Risk Indicators (KRIs)
- Risk Analytics and Portfolio Monitoring
- Internal Control Assessments

MATERIAL RISK CATEGORIES AND MITIGATION

Credit Risk

- Continuous asset quality monitoring via dynamic portfolio reviews
- Retrospective credit audits and risk-based product segmentation
- EWS framework for early stress identification
- Guardrails ensure adherence to the Risk Appetite Statement (RAS)

Operational Risk

- Mitigated through regular Risk Control Self-Assessments (RCSA)
- Implementation of Internal Financial Controls (IFC)
- Real-time risk tracking via Key Risk Indicators (KRIs)
- A live risk register is maintained and reviewed across departments

Fraud Risk

- Managed by the Risk Containment Unit (RCU)
- Fraud analytics, transaction monitoring, and internal control mechanisms in place
- High-risk cases escalated to the Chief Risk Officer (CRO)
- Oversight by the Audit Committee and Board

Information Security Risk

- Secured via Data Loss Prevention (DLP) and 24x7 Security Operations Centre (SOC)
- Regular vulnerability assessments conducted
- AI-supported tools protect endpoints, cloud networks, and emails

Liquidity Risk

- Periodic monitoring of Asset Liability Mismatches (ALM) and funding concentration, and daily monitoring of Liquidity Coverage Ratio (LCR) levels
- Liquidity stress tests ensure buffer adequacy under volatile market scenarios

Market and Interest Rate Risk

- Exposure assessed via sensitivity analysis and stress-testing
- Our liabilities are predominantly variable rate, helping absorb monetary fluctuations effectively

Concentration Risk

- Exposure diversification maintained across products, geographies, and customer segments
- Exposure limits are recalibrated regularly to avoid cluster risk

Strategic and Reputational Risk

- Managed through structured business planning and ongoing Board-level reviews
- Reputational risk mitigated through high standards of conduct, compliance, and stakeholder engagement

Compliance Risk

- All regulatory interactions are logged, monitored, and resolved within defined Turnaround Times (TATs)
- A compliance tracker and centralised MIS enable real-time oversight by the Legal and Compliance function

TOOLS AND SYSTEMS THAT STRENGTHEN RISK OVERSIGHT

Early Warning Signals (EWS)

Enable proactive detection of borrower distress, triggering timely intervention.

Stress Testing

Regularly applied to credit, interest rate, and liquidity risks to prepare for unlikely but high-impact events.

Risk Appetite Statement (RAS) and Key Risk Indicators (KRI)

Monitored rigorously; corrective action initiated when thresholds are breached.

Integrated Risk Register

Updated dynamically by functional heads and reviewed centrally by the risk function.

Branch Audits and Risk Training

Risk culture reinforced on-ground through structured audits and awareness training programmes.

Internal Capital Adequacy Assessment Process (ICAAP)

It aligns our capital buffers with our evolving risk profile. The ICAAP framework incorporates enterprise-wide risk identification, multi-scenario stress testing, and board-level oversight to ensure capital strength and business continuity.

Cybersecurity and Data Protection

Ensuring Data Integrity and Safety

As a digital-first NBFC processing millions of data points daily, Poonawalla Fincorp prioritises cybersecurity. In the past year, we strengthened data protection to ensure innovation with trust and compliance. Aligned with regulatory IT directives, we focus on preventing threats and ensuring data integrity across all channels.

CUSTOMER DATA SECURITY

As we drive digital transformation and integrate AI, cybersecurity continues to operate as an independent function—it is vital to our overall organisational resilience. We have embedded robust cybersecurity practices to protect sensitive data, ensure business continuity, and guard against evolving threats. Our layered security architecture is built on prevention, detection, and rapid response, covering the full data lifecycle—from capture to archival.

Core Measures:

- **End-to-End Encryption:** Customer data is encrypted both in transit and at rest using industry-standard protocols
- **Access Control:** Role-based access with time-bound privileges, multi-factor authentication, and continuous monitoring of access logs
- **Cloud Security:** Cloud-native infrastructure with secure virtual environments, data residency policies, and automated failover mechanisms
- **Infrastructure Defence:** Use of next-gen firewalls, IPS, anti-malware tools, and endpoint detection
- **24x7 SOC:** Real-time monitoring and threat response with clear incident management protocols
- **Compliance Alignment:** Fully aligned with RBI's IT Governance Framework; DPDP Act readiness underway

FRAUD RISK MANAGEMENT

Digital growth introduces new fraud vectors. We use deterministic and predictive tools to identify threats early without affecting user experience.

Detection Systems:

- **AI-Driven Application Screening:** Identifies anomalies in device IDs, behaviour, document uploads, and locations
- **Real-Time Risk Triggers:** Monitors transaction frequency, IP velocity, and blacklist databases
- **Layered Verification:** Combines OCR, biometrics, and AI-based face matching for secure onboarding
- **Industry Linkages:** Connected to fraud registries, bureau watchlists, and threat intelligence networks
- **Escalation Workflows:** Manual review of flagged risks ensures a balance of speed and control

GOVERNANCE AND COMPLIANCE

Cybersecurity is governed at the highest level and integrated into enterprise risk strategy.

Frameworks and Policies:

- **CISO Function:** Senior leader oversees cybersecurity strategy and execution
- **ISMS Implementation:** Based on ISO 27001, with regular internal and external audits
- **BCP and DR Protocols:** Periodically tested for full failover readiness
- **Employee Training:** Mandatory quarterly and annual programmes covering phishing, password hygiene, and online safety
- **Vendor Risk Management:** Audits and due diligence for all partners handling sensitive data

STRENGTHENING THE SECURITY EDGE

As threat vectors evolve, so does our security roadmap. Key initiatives in progress include:

- **Zero Trust Architecture:** Deployment underway to enforce endpoint-level identity validation, micro-segmentation, and least-privilege policies
- **DPDP Act Readiness:** Consent capture, data retention limits, and user data access workflows are being built for compliance
- **Advanced Threat Detection:** Investments are being made in AI-led cybersecurity platforms capable of self-learning and behavioural anomaly detection



Stay Fraud Safe
Scan to know more



DEFINING A BETTER TOMORROW

At Poonawalla Fincorp, we strengthen a culture of responsibility and integrity. Our ESG initiatives guide us in reducing environmental impact, promoting inclusive growth, and ensuring strong governance. As we grow and innovate, we remain committed to creating long-term value through sustainable and accountable actions.

Our Approach



ENVIRONMENT

We are committed to sustaining our environment by responsibly maintaining and optimising our assets regularly. Our key initiatives would lead our business operations to run smoothly and create a friendly environment for all.



SOCIAL

We are committed to investing proactively in our workforce and fostering positive relationships with external stakeholders, including customers, lenders, vendors, and communities. Our social commitment is centred on prioritising people and building lasting partnerships for mutual benefit.



GOVERNANCE

We are committed to strong governance that encompasses all of our business drivers, including strategic depth, Code of Conduct, Board membership, risk management, and guiding principles.

Environment

As we expand our footprint across the country, we remain committed to reducing our ecological impact. We recognise the role financial institutions play in shaping sustainable outcomes and aim to lead by example. Our approach is focused and practical: use fewer resources, generate greater value by cutting energy consumption, minimising waste and emissions, and driving innovation that supports long-term environmental and business performance.



ACTING RESPONSIBLY, SCALING SUSTAINABLY

GREEN INFRASTRUCTURE AND ENERGY EFFICIENCY

Our head office operates from a Platinum-certified Green Building, constructed with recycled materials and fitted with energy-efficient infrastructure. As part of our 'Go Green' initiative, we procured renewable energy from the Maharashtra State Electricity Board to power our corporate office.

To further reduce energy consumption, we implemented efficiency upgrades across our office network. These include LED lighting, retrofitted appliances, and the modernisation of older systems.



RESPONSIBLE DISPOSAL AND E-WASTE MANAGEMENT



All branches follow structured disposal protocols, with certified vendors managing e-waste. Device lifecycle monitoring, reuse-first practices, and employee sensitisation helped strengthen our responsible waste approach.

In our offices, we are replacing paper cups with rice husk alternatives and using recyclable paper rolls to promote sustainability.

CELEBRATING SUSTAINABLY

We connected personal milestones with collective impact. In FY 2024–25, we planted over 2,500 trees to mark employee birthdays, an initiative that generated 210 workdays for local labourers and is expected to offset more than 51,100 kg of CO₂ annually. This initiative reflects our dual commitment to environmental stewardship and inclusive community development.

2,500+
Trees Planted

51,000
kg

Of CO₂ expected to offset because of these plantations



Social



We strengthened our commitment to corporate responsibility through focused CSR initiatives that create long-term social value. Centred on education, healthcare, and sports, our programmes are designed to expand opportunity and build sustainable, resilient communities.



STRONGER COMMUNITIES, BETTER LIVES

EXPANDING ACCESS TO HEALTHCARE

In partnership with Grant Medical Foundation, we provided medical equipment to increase accessibility and availability to health care facilities for the underprivileged. These efforts directly benefitted marginalised and vulnerable communities, many of whom lack formal healthcare infrastructure.



Impact assessment was conducted for evaluating the social and health impact of installing a Cardiac CT scanner Version at Grant Medical Foundation.

The installation of this advanced medical imaging equipment is aimed at enhancing diagnostic capabilities, particularly in the area of cardiovascular

health, and is expected to have a substantial impact on patient care, early disease detection, and improved treatment planning.

By enabling access to high-end diagnostic services, this initiative directly contributes to strengthening public health infrastructure and aligns with national CSR objectives focused

on promoting sustainable and inclusive healthcare outcomes.

The project addresses the growing demand for non-invasive, efficient, and accessible diagnostic services, particularly for underserved rural and low-income patient populations.

UNLOCKING OPPORTUNITY THROUGH SPORT

We have also engaged with Sindola Sports India Foundation, the agency which is creating an integrated Cricket, Tennis focused facility for sports man and women from the underprivileged class. PFL has funded to the agency as a CSR contribution which was primarily spent on development of the players, medical assistance, sports physiotherapy, psychotherapy for players, and creating sporting environments such as tournaments, leagues, etc.



The above programme aims to equip young individuals with financial, mental, and physical skills, while also enhancing their training requirements.

This initiative has led to significant improvements in infrastructure and facilities, thereby creating a more supportive environment for

sports and athletes. It enables sportspersons to develop their abilities more effectively and helps elevate their performance to the next level.

People



PEOPLE, CULTURE AND PROGRESS

We reinforced our focus on building a high-performing, inclusive workforce. Guided by our CREDIT value framework, our human capital strategy prioritises advanced HR systems, equal opportunity, and a culture rooted in continuous learning, well-being, and meaningful engagement.

OUR FOCUS AREAS

As we scale responsibly and sustainably, our efforts are rooted in building a high-performance, inclusive, and digitally enabled workplace. We are embedding AI-led HR processes, cultivating agile leaders, enabling cross-functional mobility, and nurturing a culture of recognition, wellness, and trust.

PILLARS

INITIATIVES AND OUTCOMES

AI-LED HR TRANSFORMATION

- Rolled out advanced AI, Machine Learning (ML), and RPA tools across hiring, onboarding, query resolution, and performance tracking
- Resume processing time reduced by 90% through Large Language Models (LLMs)
- AI-driven hiring engine led to a 4.4x jump in offers released. Increase in hiring velocity by 10x

TRANSPARENT AND INCLUSIVE CULTURE

- Launched HR WhatsApp handle for real-time communication
- Refreshed grievance redressal guidelines to ensure fairness and empathy
- Monthly MD Townhalls institutionalised for direct engagement

RECOGNITION AND PERFORMANCE

- Introduced the MD's Honour Framework to celebrate high-impact contributions
- Standardised 5-day work week for IT teams, boosting retention in key functions
- Departmental Scorecards for transparent performance metrics and goal alignment. More than 80% of employees were assessed based on the objective scorecards, thereby eliminating bias

WORKPLACE WELLNESS

- Offered mental health counselling, preventive care, ergonomic awareness, and structured WFH/flexible hour policies
- All wellness initiatives are tracked centrally for impact and participation

LEARNING AND DEVELOPMENT

- Conducted enterprise-wide Training Needs Analysis
- Introduced 'Parambh'—a 5-day onboarding programme that reduced attrition by 8%
- Launched SkillUp, a digital learning platform with 91% adoption and 82.4% consumption
- Built a network of 190 functional trainers

People

PILLARS

LEADERSHIP DEVELOPMENT

- Rolled out 6-month leadership journeys for current and first-time managers
- Introduced Career Development and Planning (CDCP)—27% of employees covered, were made and certified to be role-ready in less than 6 months
- Launched Young Leaders Development Plan—30%+ participants completed their journey in a short span of time

EQUITY AND JOB BENCHMARKING

- Undertook comprehensive Job Evaluation, Sizing and Benchmarking to align compensation with market standards
- Reinforced fairness and transparency across the organisation

TECHNOLOGY AS THE BACKBONE OF HR EVOLUTION

We have reimagined our HR operations through intelligent, scalable solutions to boost efficiency and employee experience.

Candidate Employability Project: AI used for resume parsing, survivability scoring, job matching, and offer generation.

PAI@HR: An AI-powered, MS Teams-integrated conversational agent that resolves HR queries in real time.

Predictive Hiring: Partnered with TIH at IIT Bombay to predict candidate longevity and performance using historical data.

These interventions helped us scale seamlessly, enhance decision-making, and reduce manual dependencies across the HR lifecycle.



CREATING A CULTURE OF EXCELLENCE AND TRUST

Transparency, inclusiveness, and high performance form the core of our people culture. Regular feedback loops, townhalls, and digital engagement platforms kept communication open and two-way across hierarchies.

We continue to empower our managers to lead with agility and empathy, supporting their growth with structured Individual Development Plans, robust feedback mechanisms, and opportunities to learn and mentor.

FOCUSED ON GROWTH AND WELL-BEING

We have always prioritised employee mobility, learning, wellness, and transparent leadership engagement. Initiatives such as internal mobility programmes and continuous learning modules empowered individuals to grow across functions. Simultaneously, structured recognition and open dialogue with leadership strengthened belonging and accountability.



100%

Of employees are covered under health and accident insurance

WELLNESS INTEGRATED INTO CULTURE

Our Wellness 360 strategy recognises that employee well-being is foundational to long-term performance.

- Mental, physical, and emotional wellness are integrated into policies, engagement activities
- Ergonomic interventions, health camps, preventive care, and awareness sessions were rolled out organisation-wide
- We enabled flexibility through structured WFH guidelines, flexible working hours, enhancing productivity while supporting work-life balance

DEVELOPING FUTURE-READY LEADERS

To ensure sustainable leadership, we focused on proactive succession planning and cross-functional capability development.

- CDCP (Career Discussion and Career Planning) and Young Leaders Programmes helped groom future-ready talent across grades
- Leadership interventions were tied to measurable outcomes like productivity, attrition, and engagement
- Workshops on interviewing, behavioural assessments, and onboarding excellence ensured quality hiring and retention

66%

Emerging leaders covered under Leadership capability programmes

4 man days

Average learning man days and hours per employee

RECOGNITION THAT DRIVES RETENTION

Recognition and reward systems continued to evolve to be fair, inclusive, and aspirational.

- The MD's Honour initiative spotlighted innovation, collaboration, and leadership across functions
- Our refreshed appraisal and reward mechanisms promoted a culture of meritocracy and mutual respect

Governance



UPHOLDING PRINCIPLES IN PRACTICE

At Poonawalla Fincorp, we maintain strong governance standards to drive growth and profitability, focusing on financial integrity, ethics, transparency, and trust. Our objectives aim to enhance shareholder value while protecting stakeholder interests. Through industry-leading practices, we consistently fulfil our responsibilities to stakeholders and the community, guided by our core values.

ENSURING COMPLIANCE

During FY 2024–25, we proactively responded to evolving regulatory expectations while accelerating our digital transformation journey to strengthen compliance. We continued to maintain stringent adherence to guidelines issued by the Reserve Bank of India. We reinforced our compliance architecture—ensuring full regulatory alignment, mitigating operational risks, and promoting greater transparency across our digital lending ecosystem.

Our Efforts

- Adopted the Board-approved Policy on Common Guidelines for Digital Loans, in alignment with RBI's digital lending recommendations
- Ensured compliance with the scale-based regulatory framework across all operations
- The loan processing journey for all products, in adherence to RBI regulations
- Implemented secure, live, informed, consent-based audio-visual interaction for customer identification through V-CIP
- Facilitated easier access to customer KYC documents via the Central KYC Registry portal, with prior customer consent
- Adhered to CFSS norms as per the 2025 regulatory timeline
- Enhanced data security through advanced digital storage solutions
- Regularly reviewed and updated policies and SOPs to ensure adherence to best practices
- Integrated system-based triggers for detecting suspicious transactions
- Conducted comprehensive training on digital lending guidelines and KYC/AML protocols
- Developed and enforced policies under prevailing laws, committing to stringent corporate governance and zero tolerance for non-compliance

BOARD OF DIRECTORS FRAMEWORK

As of March 31, 2025, our Board comprises 10 Directors, including 6 Independent Directors, one of whom is a woman. Our Non-Executive Directors bring a wealth of expertise and experience, enriching our strategic decisions and overall governance. We have a Stakeholders' Relationship Committee, which addresses investor complaints in compliance with the Act and SEBI Listing Regulations.

BREACH OF INTEGRITY AND WHISTLEBLOWER/VIGIL MECHANISM POLICY

At Poonawalla Fincorp, we prioritise integrity and take immediate action to address any actions that compromise an individual's integrity. We have established a robust mechanism for escalating issues related to breaches of integrity, emphasising prevention and minimising the risk of such breaches. Recognising the serious impact of fraud in financial services,

we have developed clear policy guidelines for handling incidents involving directors, employees, channel partners, customers, and service providers accused of fraudulent activities or integrity violations. This policy underpins our commitment to ethical behaviour, transparency, and open communication, with employees and stakeholders playing a vital role in upholding these standards.



PEOPLE-FIRST CULTURE FOCUSED ON PERFORMANCE AND DEVELOPMENT

At Poonawalla Fincorp, we believe culture is a catalyst for high performance, agility, and shared ownership. FY 2024–25 was a defining year in deepening our people-first philosophy, translating systems and policies into lived, everyday experience.

Story 7



EMPOWERMENT THROUGH OWNERSHIP

We witnessed a strong sense of accountability across teams. Employees took ownership not only of their deliverables but also of their growth journeys. Internal mobility frameworks, underpinned by tools like SkillUp and functional mentoring, encouraged employees to move across roles, upskill proactively, and align with business outcomes. This shift towards self-driven contribution marked a cultural turning point.

AGILITY BACKED BY TRUST

Trust is the foundation of speed, and our people knew they were supported. With transparent leadership communication through MD Townhalls and real-time feedback loops, teams were empowered to speak up, act fast, and resolve issues early. Recognition also became more visible and inclusive, led by the MD's Honour Framework, which celebrated impact across levels.

FROM POLICY TO PARTICIPATION

Initiatives such as Wellness 360, our integrated health and well-being framework, evolved from checkboxes into habits. Employees embraced programmes not just for their benefits but for their intent driving participation in wellness campaigns, health assessments, and flexible work models. Similarly, onboarding through Parambh helped reduce early attrition, while encouraging belonging from day one.

PERFORMANCE WITH PURPOSE

Structured interventions like CDCP (Career Development and Planning) and the Young Leaders Programme gave clear direction to those ready to grow. These journeys aligned personal aspirations with organisational needs, ensuring our talent pipeline was both future-ready and fully engaged. Also, the objective scorecards have really helped eliminating bias. The impact was visible in how confidently our people delivered amid scale.

A CULTURE THAT WILL SCALE WITH US

Our culture today reflects more than the sum of our policies, it reflects a mindset of ownership, openness, and continuous development. As we move ahead, this foundation of trust, agility, and accountability will continue to guide us ensuring that we grow not just as a business, but as a workplace of choice.

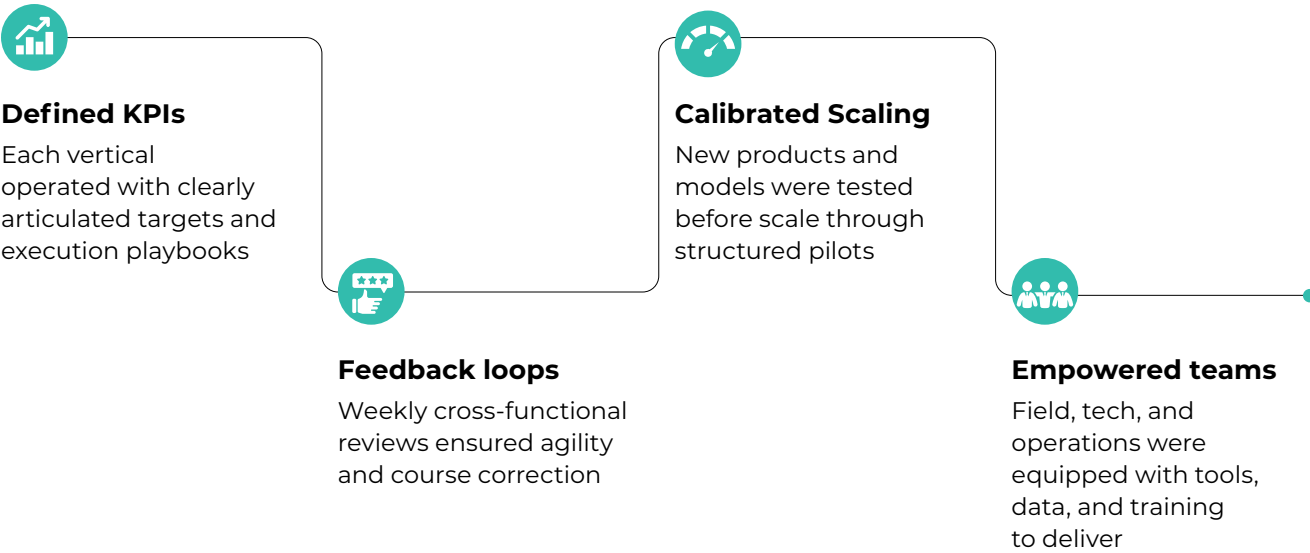
Leadership, Culture and Accountability

FY 2024–25 was a defining year for our execution-driven culture. As we grew across products, geographies, and platforms, teams translated strategy into action with a shared sense of purpose and ownership. This discipline enabled us to deliver at scale while maintaining high standards in asset quality, compliance, and governance driven by coordinated execution and clear accountability across the organisation.

Launched 6 new businesses	Built pan-India execution capabilities across retail segments	Institutionalised data-led decision-making across all functions	Delivered AI led automation that improved productivity significantly across teams.
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OWNERSHIP AT EVERY LEVEL

In FY 2024–25, execution was driven by clarity, accountability, and cross-functional alignment. With clearly defined charters and performance metrics, teams across levels—from product and credit to field operations and technology—delivered on complex mandates with consistency and control.



DELIVERY WITH DISCIPLINE

Execution outcomes reflected not just speed, but operational maturity. Risk, compliance, technology, audit, and business functions worked in close coordination, ensuring initiatives were delivered on time, within guardrails, and with measurable business impact.

Key Highlights

INITIATIVE	FY 2024-25 OUTCOME
AI DEPLOYMENT	7 enterprise tools launched for early warning, fraud detection, credit automation
PRODUCT READINESS	- PL Prime disbursement run rate scaled to ₹200+ Crore per month in 2 quarters - Launched six new businesses in the month of March and April 2025 - This includes – PL Prime digital 24x7, Education Loans, CV Loans, Consumer Durables Loans, Shopkeeper Loans, Gold Loans
INVESTMENT	Continued investments in tech, people, and distribution for long term sustainable and profitable business
LEADERSHIP ALIGNMENT	Execution tracked through weekly sprints and real-time dashboards

EXECUTION WITH GOVERNANCE

Execution was underpinned by structured governance. All key initiatives were reviewed through formal approval processes, with oversight from the Executive Committee and the Board. Impact was tracked against well-defined thresholds and performance metrics.

To sustain this rigour across the organisation, we invested in critical enablers.

Field Enablement:

Rollout of apps, dashboards, and mobility platforms for real-time decisioning and servicing

Performance Monitoring:

Sourcing and collections targets tracked via integrated dashboards with daily updates

LEADING INTO GOVERNANCE

FY 2024-25 made clear that effective execution requires more than strong delivery—it demands structure, discipline, and embedded responsibility. These foundations now support our broader governance framework, ensuring that every action is aligned with long-term goals, regulatory expectations, and stakeholder trust.

Awards and Accolades

Recognition of Purpose-Driven Performance

This year, Poonawalla Fincorp focused on strategic execution, technological innovation, and disciplined growth. Our customer-centric, digitally empowered, governance-driven model earned recognition from leading institutions, highlighting our commitment to delivering sustainable value and long-term impact for stakeholders.



CORPORATE EXCELLENCE

Outstanding Contribution to Financial Inclusion

ASSOCHAM India Fintech and BFSI Summit 2025

This honour was conferred in recognition of our efforts to deepen credit access in underserved Tier-2 and Tier-3 markets through a balanced phygital distribution model and AI-driven onboarding.

Most Impactful NBFCs 2025

Awarded at the NBFC Transformation Conclave by VERINT

Recognised for excellence in digital transformation and commitment to enabling financial dreams.

Express BFSI Technology Award 2025

Awarded for PL Prime 24x7 – Customer Experience

Tech-enabled loan servicing platform for personalised journeys.

GOVERNANCE AND RISK MANAGEMENT

Leadership in Governance Excellence

Governance Now Awards 2025

Awarded for our strong governance practices, board diversity, transparent disclosures, and alignment with stakeholder expectations.

Best Risk Management Framework – NBFC Sector

Indian Risk Management Awards 2025

Acknowledging our implementation of robust, technology-enabled risk monitoring tools and our proactive approach to managing credit, fraud, and operational risks.

TECHNOLOGY AND INNOVATION

Innovation in AI and Data Analytics

FinTech India Innovation Awards 2025

Awarded for our use of advanced analytics, predictive modelling, and machine learning algorithms to improve customer profiling, underwriting precision, and collections efficiency.

MARKETING

DIGIXX Summit Awards – Adgully

Awarded for Best Festive Marketing DVC

Recognised for the multi-platform festive campaign – “Sapno Ka Celebration”.

Board’s Report

To the Members,

Your directors have pleasure in presenting the Forty Fifth Annual Report, along with the Audited Financial Statements of the Company, for the financial year ended March 31, 2025.

FINANCIAL HIGHLIGHTS (STANDALONE):

Particulars	(₹ in Crore)	
	FY 2024-25	FY 2023-24
Total Income	4,222.84	3,151.82
Finance cost	1,515.09	955.10
Net income	2,707.75	2,196.72
Operating expenses	1,290.57	807.36
Pre-provisioning operating profit	1,417.18	1,389.36
Net loss on derecognition of financial instruments	94.41	-
Impairment on financial instruments	1,458.17	72.02
Profit/(loss) before exceptional item and tax	(135.40)	1,317.34
Exceptional items	-	1,221.20
Profit/(loss) before tax	(135.40)	2,538.54
Profit/(loss) after tax	(98.34)	2,055.96
Retained earnings as at the beginning of the year	1,721.55	383.59
Profit/(loss) after tax	(98.34)	2,055.96
Other comprehensive income on defined benefit plan	(1.47)	0.61
Retained earnings before appropriations	1,621.74	2,440.16
Appropriations		
Transfer to reserve fund under Regulation 45-IC of Reserve Bank of India Act, 1934	-	(411.20)
Dividend paid	-	(307.41)
Retained earnings as at the end of the year	1,621.74	1,721.55

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY’S AFFAIRS:

Total Income on a standalone basis increased to ₹4,222.84 Crore in FY 2024-25 from ₹3,151.82 Crore in FY 2023-24. Further, Net Income on a standalone basis increased to ₹2,707.75 Crore in FY 2024-25 from ₹2,196.72 Crore in FY 2023-24 due to increase in AUM.

The impairment on financial instruments increased to ₹1,458.17 Crore in FY 2024-25 from ₹72.02 Crore in FY 2023-24 largely on account of the erstwhile Small ticket personal loan book (STPL), this product was subsequently re-calibrated.

The Company’s Profit/loss After Tax (“PAT”) on a standalone basis decreased to ₹(98.34) Crore in FY 2024-25 from ₹2,055.96 Crore in FY 2023-24. PAT excluding exceptional items decreased to ₹(98.34) Crore in FY 2024-25 from ₹1,027.37 Crore in FY 2023 - 24, due to one-time Opex and accelerated provisioning on erstwhile STPL book in Q2FY25 and continued investment in the new businesses.

The Company’s Net Interest Margin (“NIM”) decreased to 9.6% in FY 2024-25 as compared to 11.2% in

FY 2023-24 primarily on account of higher secured book mix.

On a standalone basis, the Capital Risk Adequacy Ratio (“CRAR”) as at March 31, 2025, was 22.94% against the RBI stipulated norm of 15%.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis, as required in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), forms part of this Report.

CHANGE IN THE NATURE OF BUSINESS:

During the year, there was no change in the nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There are no material changes and commitments which affected the financial position of your Company, which occurred between the end of the

financial year to which the financial statements relate and up to the date of this Report.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the requirements of Regulation 34 of SEBI Listing Regulations, your Company had prepared Consolidated Financial Statements in accordance with Ind AS -110 – ‘Consolidated Financial Statements’ and Ind AS- 27 – ‘Separate Financial Statements’. The Consolidated Financial Statements forms part of this Report.

SUBSIDIARY AND JOINT VENTURE COMPANIES AND ITS PERFORMANCE HIGHLIGHTS:

The Company has one Joint Venture Company Jaguar Advisory Services Private Limited (“JASPL”) and no Subsidiary as on March 31, 2025.

JASPL, a Joint Venture with HDI Global SE is an advisory services Company domiciled in India. JASPL is a special purpose vehicle (SPV) of the Company. The Board of Directors and the Shareholders of the Company have approved divestment of 11,000 equity shares constituting 48.89% of the share capital held by the Company in JASPL, the said transaction is subject to requisite regulatory approvals. The Board reaffirmed the proposal to divest it’s shareholding in JASPL at its meeting held on April 25, 2025, and accordingly in line with the requirements of Ind - AS 105 "Non-Current Assets Held for Sale and Discontinued Operations", such investments have been classified as assets held for sale.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company’s joint venture in Form No. AOC-1 is provided in the financial statements of the Company.

TRANSFER TO RESERVE:

During the year under review, since there is no profit, the Company has not transferred amount to Reserve as required under Regulation 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND:

In view of the future growth of the Company, the Board of Directors has decided to conserve capital. Therefore, the Board has decided not to recommend any dividend for the FY 2024-25.

The Dividend Distribution Policy, in terms of Regulation 43A of the SEBI Listing Regulations and RBI regulations and as reviewed and adopted by

the Board of Directors of the Company, is available on the Company’s website viz., URL: <https://poonawallafincorp.com/documents/20121/0/Dividend-Distribution-Policy.pdf/f441908d-d562-4e0b-9900-2cac67b11686>

DEPOSITS:

Being a non-deposit taking Non-Banking Financial Company, your Company has not accepted any deposits from the public within the meaning of the provisions of the Master Direction Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 and the provisions of the Act.

EMPLOYEE STOCK OPTION SCHEMES:

Equity based compensation is an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan. Your Company believes in rewarding its employees for their continuous hard work, dedication, and support, which have contributed to the Company’s growth and success.

During the year, the Shareholders of the Company on May 13, 2024 had instituted Employee Stock Option Plan 2024 Scheme II (ESOP 2024 Scheme II). The options are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the fair market value. The options generally will vest in a graded manner and are exercisable which have contributed to the Company’s growth and success.

The Employee Stock Option Schemes (“ESOS”) granted to the employees of the Company currently operate under the following Schemes:

- Employee Stock Option Plan 2021 (ESOP- 2021)
- Employee Stock Option Plan 2024 Scheme II (ESOP 2024 Scheme II)

During the year under review, the Company has granted 40,000 options under ESOP 2021 and 1,80,52,000 options under ESOP 2024 Scheme II.

Further, the Board of Directors at its meeting held on April 25, 2025 has approved amendment in the ESOP 2024 Scheme II to increase the number of stock options in the Plan Pool allocated under ESOP 2024 Scheme II from 2,00,00,000 options to 3,25,00,000 options subject to approval of Shareholders.

Board’s Report (Contd.)

During the year, the Nomination and Remuneration Committee of the Company at its meeting held on June 01, 2024 cancelled ungranted stock options under the Employee Stock Option Plan-2021 (“ESOP - 2021”) and that any stock option getting lapsed in future shall also not be reissued. Further the committee has recommended evaluation for cancellation of Employee Stock Option Plan-2024 through trust route and subsequent dissolution of the PFL Employee Welfare Trust subject to requisite approvals and compliances as per applicable law.

The Employee Stock Option Plan 2007 and Restricted Stock Option Plan 2014 have been terminated by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. All the options granted under the respective plan have been exercised or have lapsed or ungranted options have been cancelled.

The aforesaid Schemes are in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB&SE) Regulations, 2021”), to the extent applicable.

The Nomination and Remuneration Committee of the Company, inter alia, administers and monitors the Schemes in accordance with the SEBI (SBEB&SE) Regulations, 2021.

A statement giving complete details, as on March 31, 2025, as required under the Act and Regulation 14 read with Part F of Schedule I of the SEBI (SBEB&SE) Regulations, 2021 is available on the website of the Company at <https://poonawallafincorp.com/investor-governance>. These details, along with the certificate from the Secretarial Auditor of the Company, as required under Regulation 13 of the SEBI (SBEB&SE) Regulations 2021, the ESOP Schemes have been implemented in accordance with the Regulations, would be placed and available for inspection by the Members during the Annual General Meeting (“AGM”) of the Company.

Grant wise details of ESOP vested, exercised, allotted and cancelled are also provided in the notes to the standalone financial statements.

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY 2024 - 25.

CHANGES IN SHARE CAPITAL:

During the year, your Company allotted 34,63,738 equity shares arising out of the exercise of Employee Stock Options granted to eligible employees of your Company.

After the allotment of the aforesaid equity shares, the total issued, subscribed and paid-up share capital of the Company as of March 31, 2025, stood at ₹155,60,28,800/- comprising 77,80,14,400 equity shares of ₹2/- each. The new equity shares issued shall rank pari-passu with the existing equity shares of the Company in all respects.

Further, PFL Employee Welfare Trust is holding 50,80,000 equity shares of the Company as on March 31, 2025. The shareholding is disclosed as “non-promotor and non-public shareholding” in the Shareholding pattern of the Company.

FUND RAISING:

During the year under review, your Company continued with its diverse methods of sourcing funds including borrowing through Non Convertible Debentures (NCD), Commercial Paper, External Commercial Borrowings, Term Loan and Working Capital Facilities and maintained prudential Asset Liability match throughout the year. Your Company sourced funds by way of issuing debentures to and obtaining loans from banks and other institutions at competitive rates. Your Company continues to expand its borrowing profile by tapping new lenders.

During the year, the Company has raised fresh term loans ₹6,450 Crore and external commercial borrowings of ₹1,477 Crore from banks and other financial institutions for a door-to-door tenor ranging from 2 to 5.5 years. The Company also raised funds through Commercial Paper aggregating to ₹ 17,115 Crore (peak outstanding of CP during the year was ₹ 5,350 Crore) and Secured Non-Convertible Debentures of ₹ 960 Crore during the year. The funds raised through Commercial Papers and Non-Convertible Debentures for the purpose specified in the respective offer documents. As on March 31, 2025, your Company does not have any listed green debt securities.

Further disclosure related to Perpetual Debt Instrument as per Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 (“RBI Scale Based Regulations”) is provided in the standalone financial statements.

CREDIT RATING:

During the year under review, CRISIL Ratings reaffirmed the ratings assigned to bank facilities and debt instruments in August 2024. The ratings of long-term bank facilities, Non-Convertible Debentures and Subordinated Debt were reaffirmed as CRISIL AAA/ Stable. Further, the ratings of Commercial Papers and Short-Term Bank Facilities were reaffirmed as CRISIL

A1+ and Perpetual Debt Instruments were reaffirmed as CRISIL AA+/Stable.

In October 2024 and March 2025, CARE Ratings reaffirmed the rating assigned to bank facilities and long-term debt instruments. Ratings of long-term Bank Facilities, Non-Convertible Debentures and Subordinated Debt were reaffirmed at CARE AAA; Stable, and the ratings of Market Linked Debentures were reaffirmed at CARE PP-MLD AAA; Stable. Ratings of Perpetual Debt were reaffirmed at CARE AA+ ; Stable. The ratings assigned to Short-Term Bank facilities and Commercial Paper were reaffirmed at

‘CARE A1+’. Further in March 2025, CARE Ratings has assigned CARE AAA; Stable ratings for the Non-Convertible Debentures.

In November 2024, Acuite Ratings and Research Limited also reaffirmed the long-term rating assigned to Non-Convertible Debentures as ‘ACUITE AAA/ Stable’.

In February 2025, Brickwork Ratings assigned and upgraded the ratings for the Non-Convertible Debentures to ‘BWR AAA/Stable’. Further, the rating of Subordinated Debt was also upgraded to BWR AAA/Stable.

A summary of outstanding ratings as on March 31, 2025, is presented below:

Rating Agency	Instrument/Facility	Outstanding Rating
CRISIL	Non-Convertible Debentures	CRISIL AAA / Stable
	Long Term Bank facilities	CRISIL AAA / Stable
	Subordinated Debt	CRISIL AAA / Stable
	Perpetual Debt	CRISIL AA+/Stable
	Commercial Paper / Short Term Bank Facilities	CRISIL A1+
CARE Ratings	Non-Convertible Debentures	CARE AAA; Stable
	Long Term Bank facilities	CARE AAA; Stable
	Market Linked Debentures (MLD)	CARE PP-MLD AAA; Stable
	Subordinate Debt	CARE AAA; Stable
	Perpetual Debt	CARE AA+ ; Stable
	Commercial Paper/ Short Term Bank Facilities	CARE A1+
Acuite	Non-Convertible Debentures	ACUITE AAA / Stable
Brickwork Ratings	Non-Convertible Debentures	BWR AAA / Stable
	Sub Debt	BWR AAA / Stable

‘AAA’ rating indicates highest degree of safety regarding timely servicing of financial obligations and lowest credit risk.

‘AA+’ rating indicates a high degree of safety regarding timely servicing of financial obligations and very low credit risk.

A status of ratings assigned by rating agencies and migration of ratings during the year are provided in notes to the standalone financial statements.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR:

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

Particulars of loans and investments outstanding during the financial year are furnished in notes to the standalone financial statements of the Company.

Further, the Company has not provided any Loans to Directors, Senior Officers and Relatives of Directors as per Para 40 of RBI Scale Based Regulations.

RISK MANAGEMENT:

The Risk Management Committee presently comprises of Mr. Bontha Prasada Rao who serves as the Chairman of the Committee; and Mr. Arvind Kapil, Mr. Sunil Samdani, Mr. Sanjay Kumar, Mr. Rajeev Sardana and Ms. Sonal Modi, as its other members.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 17(9) of the SEBI Listing Regulations. Managing risk is fundamental to financial services industry and it is key to ensure sustained profitability and stability. In a rapidly changing economic, geopolitical, regulatory and financial environment, your Company has continued to leverage on their strong risk management capabilities.

Board's Report (Contd.)

The Risk Management Committee functions in line with RBI Scale Based Regulations and SEBI Listing Regulations. The Risk Management Committee met five (5) times during the year. Meeting details, terms of reference, and its functioning are set out in the Corporate Governance Report.

The Company understands that risk evaluation and risk mitigation is a function of the Board of the Company, and the Board of Directors are fully committed to developing a sound system for identification and mitigation of applicable risks viz., systemic, and non-systemic. Information on the development and implementation of a Risk Management Policy for the Company is given in the Management Discussion and Analysis. The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROL:

The Management has laid down a set of standards, processes and structure which enables it to implement internal financial controls across the organization with reference to financial statements and such controls are adequate and are operating effectively. Internal Finance control framework has been established in line with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

During FY 2024-25, testing was conducted based on process walkthrough and review of samples as per documented controls in the Risk and Control matrix. Testing was done for each of the controls confirming the existence and operating effectiveness of controls over financial reporting. The review was performed on design, adequacy and operating effectiveness of the controls.

The internal financial control is supplemented by extensive internal audits, regular reviews by the Management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management responses. The Audit Committee also monitors the implemented suggestions. The Company has, in all material respects, adequate internal financial control over financial reporting and such controls are operating effectively.

The Joint Statutory Auditors of the Company have also certified the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 31, 2025. During the year

under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company promotes ethical behavior in all its business activities and is in line with the best governance practices. The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company pursuant to Section 177(9) of the Act read with Regulation 4(2)(d)(iv) and 22 of the SEBI Listing Regulations and Regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place a vigil mechanism named 'Breach of Integrity and Whistle Blower/Vigil Mechanism Policy' to provide a formal mechanism to the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Business Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism and provides for direct access to the Chairman of the Audit Committee in appropriate and exceptional circumstances. A quarterly and annual report on the whistle-blower complaints, as received, is placed before the Audit Committee for its review.

The details of the said Policy is explained in the Corporate Governance Report and is available on the website of the Company at <https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc>

COMPLIANCE MANAGEMENT:

The Company has in place a comprehensive compliance management tool, which is devised to ensure compliance with all applicable laws. Automated alerts are sent to compliance owners to ensure compliance within stipulated timelines.

HUMAN RESOURCES:

Your Company firmly believes that employees are its greatest asset. By orchestrating successful change management initiatives aligned with the Company's Vision and Mission, the Human Resources (HR) department has been pivotal in driving organizational success through a series of transformative efforts. By prioritizing innovation and efficiency, HR integrated strategic automation and Artificial Intelligence (AI) into core functions. Key initiatives included the launch of the MD's Honour to celebrate exemplary contributions, the introduction of flexible work hours, and AI-driven hiring processes

that increased offer capacity. Additionally, continuous learning and leadership development programs, such as the "Prarambh" induction program and the "SkillUp" digital learning platform, have ensured that employees are well-equipped to meet future challenges. These efforts have collectively elevated the employee experience, built a robust, tech-enabled HR ecosystem, and positioned your Company as a leader in HR innovation and excellence.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder ("POSH Act"). The Company has complied with the provisions relating to the constitution and composition of the Internal Committee under the POSH Act.

During the year under review, no case of sexual harassment was reported to the Internal Committee ("IC"). To build awareness and appreciation of this area, your Company has implemented an online knowledge module leveraging our learning management system. Your Company continue to strive harder with each passing year to ensure our organization succeed in bringing the best out of our people and enable the organization to create value for its Shareholders and Employees.

INFORMATION TECHNOLOGY:

The technological advancement in your Company has resulted in multi-fold growth in the digital led business. There is a significant growth in API based end-to-end digital lending through Mobile App, Digital DSAs partners.

Your Company's Information Technology guiding principles are:

- Offer Best-in-Class Customer Experience across channels
- Ensure "Robust & Scalable" Technology Infrastructure with 24x7 availability
- Increase Productivity & Profit using Digital First, Technology-driven approach

Your Company's primary focus areas for Information Technology include superior customer experience, technology upgrade, new products/services, innovations, productivity/process improvements, digital acquisition, and data science/analytics with an overall focus on observability to ensure resilience.

Your Company has launched a web & mobile app with various features such as instant personal loan, loan servicing etc. Customers can now avail an instant personal loan in just 15 minutes by completing the end-to-end digital process. Business processes have been re-aligned as per industry-best practices thus enabling end-to-end automation of each process. Your Company has also launched instant personal loan on WhatsApp. Your Company also launched new website which enables efficient lead generation through search engine optimization, customer acquisition, user centric design and content management framework to enable faster feature launches on website.

Your Company launched the industry first straight through education loan, commercial vehicle loan, shopkeeper loan, gold loan, consumer durables, EMIC Personal Loan Top-up loan has been launched. Our digital stack has enabled us to launch personal loans through partners while we enabling us create a framework to launch more partners in the next quarter.

We are focused on adopting AI across the organization in different functions across HR and credit risk. Further used cases are being built across departments within the organizations.

We continue to build on our secure API stack with a future proof strategy exposing the API's for easy consumption by our systems and external partners. Our Data Lake architecture enables detailed journey tracking, one customer view, efficient reporting.

Your Company has invested in various new technologies like Digital Experience Platform, AI based customer engagement and communications, personalization, Digital Collections Platform, etc. Your Company has also set up an IT Command Center for 24x7 monitoring of IT Infrastructure, Applications and Digital Services. Your Company is also implementing Enterprise Data Lake platform, which will enable use of multiple AI based algorithm for generating various kinds of reports, MIS, and Dashboards. Use of analytics will enhance customer penetration through digital platform by providing various insights at data level.

Board’s Report (Contd.)

CORPORATE IMAGE BUILDING & ENGAGING TARGET AUDIENCE:

Some of the key initiatives undertaken by the Company during the year are:

Public Relations and External Communication:

Your Company has effectively leveraged Public Relations (PR) to build awareness and strengthen its positive image among the stakeholders. Through PR, the Company has communicated its commitment to simplifying lending, creating customer delight, and enhancing experiences, which remain its top priorities. PR initiatives were designed to deliver messages that reflect these values and reinforce the company's governance-first, risk-first, and customer-first approach.

Building on this foundation, PR has also played an important role in communicating the journey towards becoming the smartest Company, emphasizing technology's role in creating a competitive edge. Key differentiators of the Company such as leveraging AI, building digital journeys, and using risk analytics were highlighted through focused media outreach, including announcements on the four-year collaboration with IIT for AI initiatives, the launch of 24/7 digital journey for salaried professionals, AI-powered HR and underwriting solutions. These developments were strategically communicated through press release dissemination and high-impact media engagements with top-tier media outlets.

In addition to showcasing the technological transformation, strategic PR efforts were undertaken through extensive media outreach to enhance awareness and increase visibility for your company's six groundbreaking product launches, announced in March and April 2025: PL Prime Digital 24x7, Education Loan, Commercial Vehicle Loan, Shopkeeper Loan, Gold Loan, and Consumer Durable Loan.

Press releases issued for these launches delivered key messages across targeted markets, emphasizing digital innovation, portfolio expansion, geographic expansion, governance-first and risk-first approach, transparency, and cross-selling potential across various products. These developments received strong media coverage, with stories appearing in top-tier English and regional media outlets.

AWARDS AND RECOGNITIONS:

Your Company received accolades in the following field during the year under reviewAwards & Campaign Performance Highlights – FY 2024-25:

CORPORATE EXCELLENCE:

Outstanding Contribution to Financial Inclusion

ASSOCHAM India Fintech & BFSI Summit 2025:

This honour was conferred in recognition of our efforts to deepen credit access in underserved Tier-2/Tier-3 markets through a balanced phygital distribution model and AI driven onboarding.

Most Impactful NBFCs 2025:

Awarded at the NBFC Transformation Conclave by VERINT. Recognised for excellence in digital transformation and commitment to enabling financial dreams.

Express BFSI Technology Award 2025:

Awarded for PL Prime 24x7 –Customer Experience. Tech-enabled loan servicing platform for personalised journeys.

GOVERNANCE AND RISK MANAGEMENT:

Leadership in Governance Excellence

Governance Now Awards 2025

Awarded for our strong governance practices, board diversity, transparent disclosures, and alignment with stakeholder expectations.

Best Risk Management Framework – NBFC Sector

Indian Risk Management Awards 2025

Acknowledging our implementation of robust, technology-enabled risk monitoring tools and our proactive approach to managing credit, fraud, and operational risks.

TECHNOLOGY AND INNOVATION:

Innovation in AI and Data Analytics

FinTech India Innovation Awards 2025

Awarded for our use of advanced analytics, predictive modelling, and machine learning algorithms to improve customer profiling, underwriting precision, and collections efficiency.

MARKETING:

DIGIXX Summit Awards –Adgully

Awarded for Best Festive Marketing DVC Recognised for the multi-platform festive campaign – Sapno Ka Celebration.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has a comprehensive Corporate Social Responsibility ("CSR") Policy outlining programs, projects and activities that your Company undertakes to create a significant positive impact

on disadvantaged section of the society. All these programs fall within the purview of Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"). Your Company has undertaken socially impactful CSR Projects during the year under review. Your Company has partnered with implementing agencies to implement projects in the CSR focus area viz., Healthcare, Education and Sports.

During the financial year 2024-25, your Company was required to spend ₹10.46 Crore under CSR as enumerated in Section 135(5) of the Act. Your Company has spent an amount of ₹10.51 Crore on CSR activities. The Annual Report on CSR activities covering details pertaining to CSR Policy developed and implemented by the Company, CSR Projects undertaken during the year, CSR committee and meeting details is annexed herewith and marked as Annexure-1. Further, in terms of the CSR Rules, the Chief Financial Officer has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the CSR Committee and the Board of Directors of your Company.

CUSTOMER RELATIONSHIP MANAGEMENT:

Aligned with our vision to become the most trusted financial services brand and our philosophy of customer first approach, customer service remains central to our operations and receives significant attention from management. The Company upholds values of ethics, integrity, good governance, professionalism, transparency, and customer satisfaction. Special focus has been on the quality and consistency of service delivery.

Your Company is committed to gauge customer feedback as a true reflection of its service levels. Valuable customer insights at each stage of relationship with the Company has been the guiding factor to continuously improve and digitize its processes and service delivery. Our Net Promoter Score (NPS) - a key indicator of customer perception and brand loyalty is used to gauge customer feedback on our product, processes & service level. Introducing Digital NPS through link based survey trigger allowed us to increase the coverage to gather timely feedback and make necessary improvements. Your Company is actively addresses customer insights and identified opportunities for process improvement as part of our ongoing commitment to continuous enhancement.

Our customers have multiple options like dedicated toll-free number, dedicated email ids, branches, social media accounts to reach us for their query, requests or grievances.

Your Company has enabled robust self-service platforms like mobile application, WhatsApp Bot, Web-bot and Smart IVR for instant servicing, which is available 24x7, enhancing customer convenience.

The following key initiatives were undertaken to enhance Customer Service and Experience in FY 2024-25:

- 1) To streamline customer interactions and improve efficiency,your Company has launched the Email Bot & Voice Bot.
- Email BOT enables quick response to customer queries on email through instant categorization, prioritization and draft response templates.

• Voice BOT now proactively engages with customers, providing important loan details through welcome call. The BOT is also being used for other service campaigns to reach out to our customers.
- 2) We have launched our new SMART IVR (Interactive Voice Response) system with improved customer experience. With automated authentication, critical loan details are now voiced out upfront to the customers. The IVR now provides menu options for instant servicing via an automated process along with efficient call routing to agents.
- 3) Mobile APP is enhanced with service stack to include Chat Bot for interactive assistance to customers. Straight through journeys have been enabled on the App for instant servicing.

Transparency

- Effective communications on confirmation of repayment mandate registration.
- Ensure recorded interactions with customers for future reference and adequate quality checks.
- Proactive issuance of NOC/NDC (No-Object Certificate/No-Due Certificate) to customers.
- Enabled payment via QR code for branch walk in customers for real time payment updates.

Handling Grievances effectively

- Proactive acknowledgment to customers via auto E-mail and SMS trigger upon receipt of any complaint.
- A detailed Root Cause Analysis (RCA) carried out for each complaint.

Board's Report (Contd.)

- All critical cases including regulatory escalation are reviewed by Principal Nodal Officer and Chief Compliance Officer.
- Close looping feedback mechanism ensures customers are out called at the time of closure of the Service Request for customer concurrence on the resolution being provided and upon closure in system the same is backed by an SMS trigger for customers' reference.
- All Partially/Wholly Rejected complaints (subject to exclusions as per Regulatory Circular) are reviewed by the Internal Ombudsman of the Company and the final decision is communicated to the customer within the regulatory timelines.
- Necessary governance mechanism is in place for any case of violation of code of conduct while dealing with customer.
- Regular trainings for frontline officials and agents are conducted for upkeep of customer experience.
- Post analysis of complaint trends and gap identification, different initiatives are taken to ensure preventive actions leading to seamless experience.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a. Board Composition**

The composition of the Board of Directors of the Company is governed by the Act and Regulation 17 of the SEBI Listing Regulations and is in conformity with the same. As on the date of this Report, the Board of Directors comprised a combination of Ten Directors viz. Mr. Adar Cyrus Poonawalla, Chairman, Non-Executive Director, Mr. Arvind Kapil, Managing Director and Chief Executive Officer, Mr. Sunil Samdani, Executive Director, Ms. Sonal Modi, Non-Executive Director, and Mr. Bontha Prasada Rao, Mr. Prabhakar Dalal, Mr. Sanjay Kumar, Ms. Kemisha Soni, Mr. Kewal Handa and Mr. Rajeev Sardana are Non-Executive Independent Directors. The Board mix provides a combination of professionalism, knowledge and experience required in the NBFC sector. The details of skills possessed by each director have been provided in detail in the Corporate Governance report.

b. Change in composition of the Board during the year**Appointment/Re-appointment:**

During the year, the Board of Directors ("Board") of the Company had approved the appointment

of Mr. Arvind Kapil (DIN: 10429289) as a Managing Director & Chief Executive Officer of the Company, for a period of 5 (Five) years effective from June 10, 2024 and thereafter the Members of the Company approved his appointment in the Annual General Meeting held on July 23, 2024.

Ms. Sonal Modi (DIN: 03403571) was appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, effective from August 16, 2024, thereafter, the Members of the Company approved her appointment by way of Postal Ballot on November 04, 2024.

Mr. Kewal Handa (DIN: 00056826) was appointed as a Non-Executive Independent Director of the Company, for a period of 3 (Three) years effective from October 01, 2024, thereafter, the Members of the Company approved his appointment by way of Postal Ballot dated November 04, 2024. In the opinion of the Board, Mr. Kewal Handa is independent of the management of the Company and fulfils the conditions specified in the Act and SEBI Listing Regulations, RBI Scale Based Regulations for appointment as a Non-Executive Independent Director and possess the requisite skills and capabilities and hold highest standards of integrity. The Board is of the view that Mr. Kewal Handa's continuation on the Board of the Company as an Independent Director even after attaining the age of 75 years as on August 22, 2027 will be in the interest of the Company.

The Board of Directors, at its meeting held on December 18, 2024, approved the re-appointment of Mr. Sanjay Kumar (DIN: 09466542) as a Non-Executive Independent Director of the Company for a period of three years, effective from January 15, 2025. Thereafter, the Members of the Company approved his re-appointment at the Extraordinary General Meeting held on January 09, 2025.

The Board of Directors on December 18, 2024 has approved the appointment of Mr. Rajeev Sardana (DIN: 06648276) as a Non-Executive Independent Director of the Company, for a period of 3 (Three) years effective from December 18, 2024, thereafter, the Members of the Company approved his appointment in the Extraordinary General Meeting held on January 09, 2025. In the opinion of the Board, Mr. Rajeev Sardana is independent of the management of the Company and fulfils the conditions specified in the Act and SEBI Listing Regulations, RBI Scale Based Regulations for appointment as a Non-

Executive Independent Director and possess the requisite skills and capabilities and hold highest standards of integrity.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://poonawallafincorp.com/investor-governance>.

Cessation:

During the year under review Mr. Sajid Fazalbhoy (DIN: 00022760), Non-Executive Director, stepped down from the Board with effect from June 01, 2024 due to other professional commitments.

Mr. Abhay Bhutada (DIN: 03330542), took early retirement as Managing Director of the Company w.e.f. June 09, 2024 and continued as Non-Executive Director thereafter. He also, took retirement as Non Executive Director due to pre-occupation at strategic level with Cyrus Poonawalla Group w. e. f. August 03, 2024.

Mr. Amar Deshpande (DIN: 07425556) has tendered his resignation as a Non-Executive Director of the Company, with effect from August 30, 2024, due to his pre-occupation and other professional commitments.

Mr. Atul Kumar Gupta (DIN: 01052730), Independent Director, has stepped down from close of business hours on December 09, 2024 due to various pre-occupation.

The Board of Directors of your Company placed on record their appreciation for the contribution made by Mr. Sajid Fazalbhoy, Mr. Abhay Bhutada, Mr. Amar Deshpande and Mr. Atul Kumar Gupta during their tenure as directors on the Board of the Company.

c. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act read with Articles of Association of the Company, Mr. Sunil Samdani (DIN: 10301175), Executive Director retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors of your Company recommends the re-appointment of the Director liable to retire by rotation at the ensuing AGM. Appropriate resolution seeking your approval for the aforesaid re-appointment along with brief profile of the said Director is forming part of the Notice convening the 45th AGM of your Company.

d. Declaration from Directors

The Company has, *inter alia*, received the following declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors.

All members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the FY 2024-25.

None of the Director of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

In the opinion of the Board, the Independent Directors possess the requisite integrity, experience, expertise, and proficiency required under applicable laws and the policies of the Company.

During the year under review, a separate meeting of the Independent Directors was held on January 24, 2025.

During the year under review, the Non-Executive Directors of the Company had no pecuniary

Board's Report (Contd.)

relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

The Company had obtained certificates from Practicing Company Secretaries confirming that:

- None of the Directors on the Board of the Company has been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.

e. Fit and Proper Policy:

The Company adheres to the process and methodology prescribed by the RBI in respect of the 'Fit & Proper' criteria as applicable to NBFCs, signing of Deeds of Covenants which re-affirms that the directors are required to discharge their responsibilities to the best of their abilities, individually and collectively in order to be eligible for being appointed/re-appointed as a director of the Company.

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed in Chapter XI of RBI Scale Based Regulations and that they are not disqualified from being appointed/continuing as directors in terms of Section 164(2) of the Act. The prescribed declarations/undertakings given by the Directors were placed before the Nomination and Remuneration Committee for its review and noting.

f. Familiarization Program for Independent Directors:

In compliance with the requirement of Regulation 25 of SEBI Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them about the Company and their roles, rights, responsibilities in the Company. The details of the familiarization program along with the number of hours spent by each of the Independent Directors during the FY2024-25 are explained in the Corporate Governance Report. The same is also available on the website of the Company at <https://poonawallafincorp.com/documents/20121/0/Draft-Familiarization-program-FY24-25-upload-version.pdf/4e4f7bb0-a682-9f19-7655-a9643e22b4b2>.

g. Performance Evaluation:

The Board conducted the performance evaluation of the individual Directors, Board Committees, Board as a whole and the Chairman of the Board in accordance with the provisions of the Act and the SEBI Listing Regulations, including the Guidance Note on Board Evaluation issued by SEBI.

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors by seeking their inputs on various aspects of Board/Committee Governance through structured questionnaire. Also, the Nomination and Remuneration Committee has carried out evaluation of every director's performance and reviewed the self-evaluation report submitted by the respective directors. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. Also, the Nomination and Remuneration Committee has carried out an evaluation of every Director's performance and reviewed the self-evaluation submitted by the respective Directors. These meetings were intended to obtain Directors' inputs on the effectiveness of Board/Committee processes.

The evaluations are carried out in a confidential manner and the Directors provide their feedback by rating based on various metrics.

The Board considered and discussed the input received from the Directors. Further, the Independent Directors at their meeting reviewed the performance and role of Non-Independent Directors and the Board as a whole and Chairperson of the Company and had also assessed the quality, quantity, and timeliness of flow of information between the Company management and the Board that was necessary for the Board to perform their duties effectively and reasonably.

h. Outcome of evaluation process:

Based on inputs received from the board members, it emerged that the overall performance evaluation of the Board, composition, and quality, understanding the business including risks,

process and procedures, oversight of financial reporting process including internal controls and audit functions, ethics and compliances and monitoring activities, has been found to be reasonably good. Similarly, the effectiveness of the Board Committees has been rated high. The Committees of the Board function effectively. Sufficient time is allotted for discussion of the agendas. Contrary views were also encouraged and the same were viewed in the right perspective. The performance of the Chairman of the Company has been found to be Excellent and was rated 5 within the overall rating scale of 1 to 5. Overall, the Board is functioning very well in a cohesive and interactive manner. Last year the recommendations of Independent Directors and Board on Performance Evaluation were largely implemented.

i. Remuneration Policy:

The Remuneration Policy for Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMPs, SMPs and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy of the Company is available on the Company's website at <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>.

The Remuneration details of Directors and KMP are provided in the Corporate Governance Report.

j. Code of Conduct for Directors and Employees:

The Company has adopted a Code of Conduct for its Directors and employees including a Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The said Codes can be accessed on the Company's website at <https://poonawallafincorp.com/documents/20121/0/PFL-Code-for-Independent-Directors.pdf/532e85bb-fac8-a77a-36ed-065de305659c>.

In terms of the SEBI Listing Regulations, all directors and Senior Management Personnel

have affirmed compliance with their respective codes. The Managing Director and Chief Executive Officer has also confirmed and certified the same, for which certification is provided at the end of the Report on Corporate Governance.

k. Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the Key Managerial Personnel ("KMP") of the Company as on the date of this report:

1. Mr. Arvind Kapil, Managing Director & Chief Executive Officer;
2. Mr. Sunil Samdani, Executive Director;
3. Mr. Sanjay Miranka, Chief Financial Officer; and
4. Ms. Shabnum Zaman, Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief, your directors make the following statements in terms of Section 134 (5) of the Act:

- a. that in the preparation of the annual accounts for the year ended March 31, 2025, the applicable Ind AS have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper internal financial controls are in place and that the financial controls are adequate and are operating effectively; and
- f. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

Board’s Report (Contd.)

MEETINGS:

During the year under review, 10 (Ten) Board Meetings and 6 (Six) Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and the SEBI Listing Regulations.

COMMITTEES OF THE BOARD OF DIRECTORS:

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority. The Board Committees have been constituted to deal with specific areas/ activities as mandated by applicable laws, rules and regulations or as delegated by the Board, which need a closer review.

Audit Committee

The Audit Committee presently comprises of Mr. Kewal Handa who serves as the Chairman of the Committee and Ms. Sonal Modi, Mr. Prabhakar Dalal, Mr. Sanjay Kumar, and Ms. Kemisha Soni as other members. The terms of reference for the Audit Committee have been furnished in the Corporate Governance Report. All the recommendations made by the Audit Committee during the year were accepted by the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) presently comprises of Mr. Prabhakar Dalal who serves as the Chairman of the Committee, Mr. Kewal Handa, Mr. Rajeev Sardana, and Ms. Sonal Modi as other members. The terms of reference of the Nomination and Remuneration Committee and details of NRC Meetings and attendance thereof have been furnished in the Corporate Governance Report.

Stakeholders’ Relationship Committee

The Stakeholders’ Relationship Committee presently comprises of Mr. Prabhakar Dalal who serves as the Chairman of the Committee, Mr. Sunil Samdani, Ms. Sonal Modi, and Mr. Sanjay Kumar as other members. The terms of reference of the Stakeholders’ Relationship Committee have been furnished in the Corporate Governance Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee presently comprises of Ms. Kemisha Soni who serves as the Chairperson of the Committee

and Mr. Sunil Samdani, Ms. Sonal Modi, and Mr. Prabhakar Dalal, as other members.

The other Committees of the Board are the Asset Liability Management Committee, Risk Management Committee, IT Strategy Committee, Review Committee, Customer Service Committee and the Management Committee. The details of composition, terms of reference and number of meetings held for the respective Committees have been furnished in the Corporate Governance Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has in place a Policy on Related Party Transactions and the same can be accessed on the Company’s website at <https://poonawallafincorp.com/documents/20121/0/Policy+on+Related+Party+Transaction.pdf/dcabc2aa-14da-673a-b8af-bcb22ccfdc97>. All transactions with Related Parties are placed before the Audit Committee for approval. All related party transactions that were entered into during the financial year were on an arm’s length basis and in the ordinary course of business, the particulars of such transactions are disclosed in the notes to the financial statements. During the year under review there were no materially significant related party transactions. Disclosures of related party transactions of the Company with the promoter/promoter group, which holds 10% or more shareholding in the Company, if any, is given in note to the standalone financial statements.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024-25. Form No. AOC-2 is attached with this Report as Annexure-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

During the year under review there were no significant material orders passed by the Regulators/Courts/ Tribunals against the Company which would impact the going concern status or its future operations.

STATUTORY AUDITORS:

Based on the recommendation of the Audit Committee and the Board, the Members of the Company, at the 44th AGM held on July 23, 2024, approved the appointment of M S K A & Associates,

Chartered Accountants, (Firm Registration No. 105047W), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the 44th AGM until the conclusion of the 47th AGM of the Company.

Based on the recommendation of the Audit Committee and the Board, the Members of the Company, at the 43rd AGM held on July 25, 2023, approved the appointment of Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No.105215W/W100057), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the 43rd AGM until the conclusion of the 46th AGM of the Company.

In terms of the RBI Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 on Guidelines for Appointment of Statutory Central Auditors (“SCAs”)/Statutory Auditors (“SAs”) of Commercial Banks (excluding Regional Rural Banks), Urban Co-operative Banks (“UCBs”) and Non-Banking Financial Companies (“NBFCs”) (including Housing Finance Companies) (“RBI Guidelines”), the statutory audit of the entities having asset size of ₹15,000 crore and above as at the end of previous year, should be conducted under the joint audit of a minimum of two audit firms. and in accordance with the requirements of Section 139 of the Act, read with Rules made thereunder, M S K A & Associates, Chartered Accountants and Kirtane & Pandit LLP, Chartered Accountants, act as the Joint Statutory Auditors of the Company.

As required under Regulation 33(1)(d) of the SEBI Listing Regulations, the Joint Statutory Auditors have confirmed that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Standalone and the Consolidated Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind - AS) notified under Section 133 of the Act. The notes on financial statements referred to in the Auditors’ Report are self-explanatory and do not call for any further comments.

There are no qualifications, reservations or adverse remarks or disclaimers made by and M S K A & Associates, Chartered Accountants, and Kirtane & Pandit LLP, Chartered Accountants, Joint Statutory Auditors, in their Reports dated April 25, 2025 on the Financial Statements of the Company for FY 2024-25.

SECRETARIAL AUDITOR:

Pursuant to the provision of Section 204(1) of the Act & Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 and other applicable provisions, if any of the Act and Regulation 24A of the SEBI Listing Regulations read with circulars issued thereunder to the extent applicable, other applicable regulations framed by the Securities and Exchange Board of India in this regard, the Secretarial auditor needs to be appointed for a period of 5 (Five) years.

In view of the above, the Board of Directors have appointed SIUT & Co LLP, Company Secretaries (Firm Registration No.: L2021MH011500) as Secretarial Auditor of the Company for a period of five (5) years i.e. from FY 2025-26 to FY 2029-30 subject to the approval of Members at the ensuing AGM of the Company, to undertake secretarial audit as required under the Act and SEBI Listing Regulations and issue the necessary secretarial audit report for the aforesaid period.

SIUT & Co LLP have confirmed that their appointment, if made, will comply with the eligibility criteria in terms of SEBI Listing Regulations. Further, the Secretarial Auditor has confirmed that they have subjected themselves to Peer Review process by the Institute of Company Secretaries of India (“ICSI”) and hold valid certificate issued by the Peer Review Board of ICSI.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed SIUT & Co LLP, Company Secretaries (Firm Registration No. L2021MH011500) to conduct the Secretarial Audit for the FY 2024-25. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2025, is annexed herewith and marked as Annexure-3.

COST AUDITORS:

Being an NBFC, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act are not applicable in respect of the business activities carried out by the Company.

SECRETARIAL STANDARDS:

The mandatorily applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to ‘Meetings of the Board

Board’s Report (Contd.)

of Directors’ and ‘General Meetings’ respectively, have been duly complied by your Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

Environment, Social and Governance Practices (“ESG”) is a critical area of focus. Your Company has constituted ESG Committee and adopted the Environmental and Social Governance Policy & Governance Framework. As a responsible organization your Company takes various measures to mitigate our negative impact on the environment, ensure our conduct is responsible towards our internal and external stakeholders and invest in good governance practices. Our various efforts towards responding to the stakeholder needs and concerns are addressed in the business responsibility and sustainability report (“BRSR”), covering the nine principles of National Guidelines on Responsible Business Conduct (NGRBC).

The BRSR provides an avenue for disclosing an overview of the entity’s material ESG risks and opportunities, goals and targets related to sustainability and performance against them. As per Regulation 34 of the SEBI Listing Regulations, BRSR for FY 2024-25 forms part of this Report.

RBI GUIDELINES:

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, On a standalone basis, the Capital Risk Adequacy Ratio (“CRAR”) as of March 31, 2025, was 22.94% against the RBI stipulated norm of 15%. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets quarterly to review its ALM risks and opportunities.

The Company continues to be in compliance with the RBI Scale Based Regulations.

CORPORATE GOVERNANCE:

The Company is committed to achieving and adhering to the highest standard of Corporate Governance. It believes in and practices good corporate governance. The Company maintains transparency and also enhances corporate accountability. In terms of Regulation 34 of SEBI Listing Regulations read with Schedule V, the following forms part of this Report and as required under the RBI Scale Based Regulations, forms part of this Annual Report. Further, the additional disclosure requirements for NBFCs in accordance with the aforesaid RBI Directions forms part of the Corporate Governance Report.:

- a. Declaration signed by the Managing Director & Chief Executive Officer regarding compliance to Code of Conduct by the Board Members and Senior Management Personnel;
- b. A certificate from a Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority;
- c. Report on the Corporate Governance; and
- d. Practicing Company Secretary’s certificate regarding compliance of conditions of Corporate Governance.

Conservation of Energy

The operations of the Company are not energy intensive. The Company implements various energy conservation measures across all its functions, which are highlighted in the Business Responsibility and Sustainability Report.

Technology Absorption

The details pertaining to technology absorption at the Company (usage of digital and data analytics to build sustainable competitive advantage) have been explained in this Report. Considering the nature of services and businesses, no specific amount of expenditure is earmarked for Research and Development. However, the Company on an ongoing basis strives for various improvements in the products, platforms, and processes.

Foreign Exchange Earnings and Outgo

During FY 25, there were no foreign exchange earnings (previous year: NIL) and the foreign exchange outgo in terms of actual outflow amounted to ₹3.71 Crore (Rupees Three Crore Seventy One Lakh) (previous year: ₹0.64 Crore).

OTHER DISCLOSURES:

- a. During the year, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and any one-time settlement with any Bank or Financial Institution during the year under review and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof are not applicable.
- b. The Company has not defaulted in repayment of loans from Banks and Financial Institutions;

- c. There were no delays or defaults in payment of interest/principle of any of its debt securities;
- d. Disclosures pursuant to RBI Scale Based Regulations, unless provided in the Board’s Report, form part of the notes to the standalone financial statements;
- e. There was no raising of funds through Preferential Allotment, Rights Issues or Qualified Institutional Placements, etc.
- f. The Company has not entered into any agreements as required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations.

ANNUAL RETURN:

Pursuant to Sections 92 and 134(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return is available at the website of the Company at <https://poonawallafincorp.com/investor-financials>.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is disclosed in this report as an Annexure 4.

In terms of the proviso to Section 136(1) of the Act, the Report is being sent to all Members, excluding the statement with respect to employees employed throughout the year and employees employed for part of the year who were in receipt of remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. It is to be noted that the Board’s Report is abridged to that extent and all other information as required under applicable law form part of this Report. The statement is available for inspection by any Member on request. Any Member interested in obtaining a copy of the said statement, may write an email to the Company Secretary at secretarial@poonawallafincorp.com

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124(5) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

2016, (as amended from time to time) (“IEPF Rules”) relevant amount, which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund (“IEPF”). During the year under review, your Company has transferred ₹609,579/- (Rupees Six Lakh Nine Thousand Five Hundred and Seventy Nine.) to IEPF Authority.

Pursuant to Section 124 (6) of the Act and read with Rule 6 of IEPF Rules all the underlying shares in respect of which dividends are not claimed/paid for the last seven consecutive years or more are liable to get transferred to the IEPF Authority. Accordingly, during the year under review 23,365 equity shares of face value of ₹2/- each, were transferred to IEPF Authority.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company and also the details of equity shares transferred to IEPF Authority on the Company’s website (www.poonawallafincorp.com) and also on the Ministry of Corporate Affairs’ website (www.mca.gov.in).

FRAUD REPORTING:

During the year under review, neither the Joint Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of Act, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board’s Report.

APPRECIATION:

Your directors would like to record their appreciation of the hard work and commitment of the Company’s employees and warmly acknowledge the unstinting support extended by its banks & financial institutions, shareholders and other stakeholders in contributing to the results. Your directors also express their gratitude for the guidance received from RBI, SEBI and other regulatory agencies.

For and on behalf of the Board

Arvind Kapil
Managing Director and
Chief Executive Officer
DIN: 10429289

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: April 25, 2025

Place: Mumbai
Date: April 25, 2025

Annual Report on CSR Activities for Financial Year 2024-25

Annexure 1

1. BRIEF OUTLINE OF THE CSR POLICY OF THE COMPANY.

The Company has its Corporate Social Responsibility Policy, in consonance with Section 135 of the Companies Act, 2013 and rules made thereunder. The Company's CSR policy has been amended from time to time in compliance with the Companies (Corporate Social Responsibility Policy) Amendment Rules.

In line with Section 135 of the Companies Act, 2013, at least 2% of the average net profits of the Company made during the three immediately preceding financial years shall be spent in pursuance of the Corporate Social Responsibility Policy. The Company ensures that CSR projects are carried out in line with activities prescribed under Schedule VII of the said Act.

The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the activities, in a focused manner to the extent possible. CSR projects are chosen in activities pertaining to inclusive growth of society, with special attention to the under privileged persons and the backward districts in the given chosen/focus area(s) i.e. Healthcare, Education and Sports.

During the year under review, the Company has undertaken the following CSR projects and programmes.

HEALTHCARE

Implementing organization: Grant Medical Foundation

Executive summary of the project and its impact:

This program is committed to provide healthcare services to patients across countries. Ruby Hall Clinic, Pune is the flagship multi-disciplinary hospital of Grant Medical Foundation, serving the community since 1959. It has been recognized for its 8 NABH certifications and accreditations in healthcare. The primary objective of this CSR initiative is to equip the hospital with medical equipment i.e. Cardiac CT scan machine to enhance its capacity to provide life-saving care to under privileged patients. This initiative has increased the capacity of Ruby Hall Clinic to provide critical care to patients requiring Cardiac CT Scan Machine.

The installation of this advanced medical imaging equipment is aimed at enhancing diagnostic capabilities, particularly in the area of cardiovascular health, and is expected to have a substantial impact on patient care, early disease detection, and improved treatment planning. The project addresses the growing demand for non-invasive, efficient, and accessible diagnostic services, particularly for underserved rural and low-income patient populations.

Further, this project aims to increase accessibility and availability to healthcare facilities for the underprivileged.

SPORTS

Implementing organization: Sindola Sports India Foundation

Executive summary of the project and its impact:

Promotion of sports in India is recognized as a CSR activity as per Schedule VII of the Companies Act, 2013. CSR efforts have focused on areas like education and healthcare, sports are now emerging as a significant area of investment. CSR in sports holds immense potential to foster national pride, youth development, and societal well-being.

The Company has engaged with Sindola Sports India Foundation, the agency which is creating an integrated Cricket, Tennis focused facility for sports man and women from the underprivileged class.

The Company has funded to the agency as a CSR contribution which was primarily spent on

- Development of the players including skill, education, temperament and values.
- Facility management and consultancy services to the players.
- Training avenues for the ancillary/support functions such as ground keeping, sports management, sports reporting, etc.
- Medical assistance, sports physiotherapy, psychotherapy for players, etc.
- Create sporting environments such as tournaments, leagues, etc.

- Players and Coach accommodation.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of the Directors	Category	Number of meetings held	Number of meetings attended
1.	Ms. Kemisha Soni ¹	Chairperson, Independent, Non-Executive	1	1
2.	Mr. Sunil Samdani	Executive	1	1
3.	Ms. Sonal Modi ²	Non-Executive	-	-
4.	Mr. Prabhakar Dalal	Independent, Non-Executive	1	1
5.	Mr. Abhay Bhutada ³	Managing Director	1	1
6.	Mr. Amar Deshpande ⁴	Non-Executive Director	1	1

¹Ms. Kemisha Soni was appointed as a Chairperson w.e.f. June 10, 2024.

²Ms. Sonal Modi was appointed as a member w.e.f August 16, 2024.

³Mr. Abhay Bhutada Ceased to be Chairman w.e.f. June 01, 2024 and ceased to be a member w.e.f. June 13, 2024.

⁴Mr. Amar Deshpande ceased to be member w.e.f August 30, 2024.

The Corporate Social Responsibility Committee presently comprises of Ms. Kemisha Soni who serves as the Chairperson of the Committee and Mr. Sunil Samdani, Ms. Sonal Modi, and Mr. Prabhakar Dalal as other members of the Committee.

3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

CSR Committee Composition: <https://poonawallafincorp.com/investor-governance>

CSR Policy: https://poonawallafincorp.com/documents/20121/0/PFL_CSR+Policy_Version+No.+6.0.pdf/26949d61-3047-4792-4600-33e5a62ec4ac

CSR projects: [Corporate Social Responsibility \(CSR\) Activities by Poonawalla Fincorp](#)

4. PROVIDE THE DETAILS OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014, IF APPLICABLE: NOT APPLICABLE.

5. a) Average net profit of the Company as per Section 135(5): ₹522.89 Crore
- b) Two percent of average net profit of the Company as per Section 135(5): ₹10.46 Crore
- c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL
- d) Amount required to be set off for the financial year, if any: NIL
- e) Total CSR obligation for the financial year (5b+5c-5d): ₹10.46 Crore
6. a. Amount spent on CSR Projects: ₹10.51 Crore
- b. Amount spent in Administrative Overheads: NIL
- c. Amount spent on Impact Assessment, if applicable: NIL
- d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹10.51 Crore
- e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.51 *	NA			NA	

*Note:-

Promotion of road safety through Creative Foundation, Pune:

The Company had spent ₹0.05 Crore deploying traffic wardens for maintaining Pune city traffic under Program of Promotion of Road Safety in the month of May 2024. This initiative aims to enhance road safety and align with our commitment to support the community, showcasing a responsible and civic minded approach beyond our business interest.

Since the amount is over and above the obligation for FY 2024-25. The CSR Committee has approved to set off this amount from next year's CSR obligation.

f. Excess amount for set-off, if any:

SL. No.	Particular	Amount (in ₹ Crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	10.46
(ii)	Total amount spent for the Financial Year	10.51
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.05

7. DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

1	2	3	4	5	6			7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Crs)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ Crs)	Amount spent in the reporting Financial Year (in ₹ Crs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in the succeeding financial years (in ₹ Crs)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
1.	2021-22	NA	3.43	0.74	-	-	-	2.69	N.A.
2.	2022-23	NA	2.69	2.69	-	-	-	NIL	N.A.
3.	2023-24	NA	NIL	5.02	-	-	-	NIL	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

If Yes, details need to provide in below format:

Si. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
1	2	3	4	5	6	7	8
					CSR Registration Number, if applicable	Name	Registered address
1	Medical equipment - CT Scan Machine	411001	04.07.2024	8.47 Crores	CSR00004934	Grant Medical Foundation	40, Sasson Road Pune – 411001

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board

Arvind Kapil
Managing Director and
Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: April 25, 2025

Kemisha Soni
Chairperson of CSR Committee
DIN: 06805708

Place: Indore
Date: April 25, 2025

FORM NO. AOC-2

Annexure 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis: Nil

Details of material contracts or arrangements or transactions on an arm's length basis.

S/N.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any,	
e)	Date of approval by the Board if any	
f)	Amount paid as advances, if any,	

For and on behalf of the Board

Arvind Kapil
Managing Director and
Chief Executive Officer
DIN: 10429289

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: April 25, 2025

Place: Mumbai
Date: April 25, 2025

Form No. MR-3

Annexure 3

Secretarial Audit Report

for the financial year ended March 31, 2025

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

To,

The Members,

Poonawalla Fincorp Limited

201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by POONAWALLA FINCORP LIMITED (CIN: L51504PN1978PLC209007) **(hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances by the Company and expressing our opinion thereon.

Based on our verification of the POONAWALLA FINCORP LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2025 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2025 according to the provisions of:

- (i)

The Companies Act, 2013 (the Act) and the rules made there under;
- (ii)

The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii)

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv)

The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v)

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

- (a)

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b)

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not applicable to the Company during the Audit Period;
- (e)

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f)

The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g)

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable to the Company during the Audit Period;
- (h)

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – Not applicable to the Company during the Audit Period;
- (i)

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not applicable to the Company during the Audit Period;

The Reserve Bank of India Act, 1934, Master Directions and other circulars/directions/guidelines issued by RBI to the extent applicable.

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

- (i)

Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).
- (ii)

The listing agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except there were few instances of delay in filing of Forms with Ministry of Corporate Affairs (MCA). The Company had published an advertisement in the Newspaper dated February 01, 2025, however the QR Code was not appearing.

We further report that:

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

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, shorter notice consent was taken wherever needed and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, following major events have taken place :

1.

Allotment of 34,63,738 Equity Shares of face value of ₹ 2/- each pursuant to exercise of stock options under the various schemes of Employee Stock Options of the Company.
2.

Allotment of 96,000 secured, redeemable, rated, listed, Non-Convertible Debentures of face value of ₹ 1,00,000 aggregating to ₹ 960 Crores through private placement.
3.

Approved the introduction and implementation of the 'Employee Stock Option – 2024 – Scheme II' (Plan) on April 08, 2024 which was approved by shareholders on May 13, 2024 of 2 Crore options to the eligible employees of the Company.
4.

On April 08, 2024 Board of Directors approved cancellation of Restricted Stock Option Plan – 2014 (RSOP-2014), all vested options were exercised & all the ungranted stock options were cancelled.

For **SIUT & Co LLP**
Company Secretaries
(Unique code: L2021MH011500)

Name: **CS I U Thakur**
Partner
FCS: 2298
CP: 1402
UDIN: F002298G000197284
Peer Review Certificate No.: 5460/2024

Date: 25/04/2025
Place: Pune

ANNEXURE

To,
The Members,
POONAWALLA FINCORP LIMITED
Regd. Office: 201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, PUNE, Maharashtra, India, 411036

Our report of even date is to be read along with this letter.

1.

Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SIUT & Co LLP**
Company Secretaries
(Unique code: L2021MH011500)

Name: **CS I U Thakur**
Partner
FCS: 2298
CP: 1402
UDIN: F002298G000197284
Peer Review Certificate No.: 5460/2024

Date: 25/04/2025
Place: Pune

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

Annexure 4

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2024-25 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl No.	Name of Director/KMP	Designation	Remuneration of Director/ KMP for FY 2024-25 (₹ in Crores) \$	% increase in Remuneration in FY 2024-25	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Adar Cyrus Poonawalla**	Chairman, Non-Executive Director	0.08	33%	0.81
2.	Arvind Ravinder Kapil ¹	Managing Director and Chief Executive Officer	45.66	Not Comparable	71.07
3.	Sunil Madhav Samdani	Executive Director	4.93	25%	50.76
4.	Sonal Sanjay Modi* ²	Non - Exeutive Director	0.55	Not Comparable	5.55
5.	Bontha Prasada Rao*	Non - Exeutive Independent Director	0.74	12%	7.51
6.	Prabhakar Ramchandra Dalal*	Non - Exeutive Independent Director	0.83	5%	8.45
7.	Sanjay Kumar*	Non - Exeutive Independent Director	0.77	6%	7.84
8.	Kemisha Soni*	Non - Exeutive Independent Director	0.74	0%	7.51
9.	Kewal Kundanlal Handa* ³	Non - Exeutive Independent Director	0.33	0%	3.33
10.	Rajeev Sardana* ⁴	Non - Exeutive Independent Director	0.18	0%	1.84
11.	Abhay Bhutada#	Managing Director	0.42	Not Comparable	50.76
12.	Sajid Moorad Fazalbhoy**#	Non - Exeutive Director	0.02	Not Comparable	0.21
13.	Amar Sudhakar Deshpande**#	Non - Exeutive Director	0.22	Not Comparable	2.18
14.	Atul Kumar Gupta**#	Non - Exeutive Independent Director	0.26	Not Comparable	2.64
15.	Sanjay Miranka	Chief Financial Officer	5.01	-17%	36.14
16.	Shabnum Zaman	Company Secretary	1.10	11%	6.27

* The remuneration includes sitting fees and commission.
** The remuneration includes sitting fees only.
Not associated with Company.
\$ Remuneration includes Fixed Pay + Variable Pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961.
¹Appointed as Managing Director and Chief Executive Officer w.e.f. June 10, 2024.
²Appointed as Non - Executive Director w.e.f. August 16, 2024.
³Appointed as Non - Executive Independent Director w.e.f. October 01, 2024.
⁴Appointed as Non - Executive Director w.e.f. December 18, 2024.

All amounts are rounded off.
Note:
(i) For independent directors, remuneration is based on actuals and for others the remuneration has been taken based on annual remuneration, for calculating the "% increase in Remuneration" & "Variance with median remuneration".
(ii) The median remuneration of employees of the Company during the financial year was ₹0.10 crores.
(iii) In the financial year, there was an increase of 6.6% in the median remuneration of employees.
(iv) There were 3594 nos. permanent employees on the rolls of Company as on March 31, 2025.
(v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2024-25 was 11.43% whereas the increase in the managerial remuneration for the same financial year was 11.88%.
(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

For and on behalf of the Board

Arvind Kapil
Managing Director and
Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: April 25, 2025

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: April 25, 2025

Management Discussion and Analysis

ECONOMIC OVERVIEW

Global Economy

The global economy demonstrated commendable resilience in CY 2024, navigating a complex landscape marked by divergent regional performances, persistent geopolitical tensions, and shifting monetary dynamics. Global output expanded by 3.2% in 2023 and 3.3% in 2024¹, maintaining a stable growth trajectory, albeit still lagging behind the stronger momentum observed in the pre-pandemic era.

This steady performance was underpinned by a mix of factors, including moderating inflation and resilient labour markets that contributed to a cautiously optimistic outlook. Looking ahead, global output is projected to grow at a slightly slower pace of 2.8% in 2025², reflecting ongoing challenges but also recovery in key sectors.

Labour markets, while gradually cooling, remained historically strong in 2024. Unemployment rates stayed low across major economies, and nominal wages continued to rise. These positive labour market trends, along with disinflationary pressures, contributed to a modest improvement in real household incomes in 2024. However, consumer sentiment remained fragile, and private consumption growth in several advanced economies was subdued in 2024, with only a slight recovery expected in 2025. Projections suggest private consumption growth will stabilise in 2025, aided by improving economic conditions and modest wage gains.

Economic performance varied considerably across regions. The United States outperformed expectations, driven by robust domestic demand and a resilient services sector. In contrast, the Eurozone continued to grapple with structural weaknesses, high energy costs, and tepid business investment, resulting in lacklustre growth. Among emerging markets, India stood out with strong and broad-based expansion, powered by domestic consumption, infrastructure investment, and digitalisation initiatives. China, however, faced headwinds from a slowing property market, weak consumer confidence, and structural rebalancing, which tempered its growth trajectory.

Geopolitical developments continued to cast a long shadow over global economic prospects. The ongoing war in Ukraine and heightened tensions in the Middle

¹IMF
²IMF
³IMF
⁴IMF
⁵IMF

East disrupted energy flows and trade corridors, fuelling market uncertainty. Financial markets, in turn, experienced episodes of volatility, influenced by shifting interest rate expectations, inflation dynamics, and geopolitical risks.

Outlook

The global economy is facing renewed pressure in 2025, primarily driven by escalating trade tensions. Following a period of modest but consistent growth in 2024, the implementation of broad-based U.S. tariffs, accompanied by countermeasures, has significantly heightened trade policy uncertainty. Consequently, the International Monetary Fund (IMF) has revised global growth projections to 2.8%³ in 2025 and 3.0% in 2026, both below the historical average of 3.7%, reflecting a cumulative downgrade of 0.8 percentage points from previous forecasts.

Advanced economies are expected to experience slower growth, with the United States projected to grow at 1.8%, and the euro area at 0.8%⁴. This downturn is attributed to weaker demand, increased uncertainty, and the economic repercussions of trade restrictions. Emerging market and developing economies, particularly those directly impacted by the new tariffs, such as China, are also forecast to see slower growth, with projections of 3.7% in 2025.

Inflation is anticipated to decline gradually than previously expected. Global headline inflation is projected at 4.3% in 2025⁵, with revisions upwards for advanced economies and slight downward adjustments for emerging markets.

The outlook is shaped by significant downside risks, including the possibility of a deeper trade conflict, financial market volatility, currency shocks, and rising debt vulnerabilities, particularly in low-income economies. Demographic challenges and the ongoing impact of recent cost-of-living pressures may further constrain recovery and exacerbate social tensions.

Policy priorities should focus on restoring trade predictability, promoting international cooperation, and addressing domestic structural weaknesses. Governments are advised to rebuild fiscal buffers, implement credible medium-term consolidation plans, and pursue labour and market reforms. Central banks must continue balancing inflation control

with financial stability while preparing to respond to increased volatility.

While uncertainty remains high, coordinated global efforts and a de-escalation of trade tensions may support stabilisation and contribute to a more sustainable recovery.

Indian Economy

India’s economy showed strong growth in FY 2023-24 of 8.2% and 6.5%⁶ for FY 2024-25 aligning with its long-term average. This performance was primarily driven by a revival in rural demand and sustained consumption momentum, with private final consumption expenditure rising by about 7.3%⁷. Easing inflationary pressures, with retail inflation falling to 4.6%⁸, its lowest since FY 2018-19—further contributed to economic stability.

Over the past decade, India has emerged as the fastest-growing major economy, doubling its GDP from USD 2.1 trillion in FY ending on March 2015 to USD 4.2 trillion in FY ending on March 2025. This exceptional rise outpaced all other major economies, underscoring India’s emergence as a formidable global economic force. The transformation was fueled by a combination of structural reforms, rapid digitalisation, and a favourable demographic profile. Strategic investments in digital infrastructure, financial inclusion, and manufacturing boosted domestic productivity, while a booming services sector particularly in IT and financial services remained a consistent engine of growth.

Public investments in infrastructure and a push for self-reliance in critical sectors propelled the economy forward. India is now poised to overtake Japan (USD 4.4 trillion GDP) to become the world’s fourth-largest economy, and maintaining its current trajectory, it could surpass Germany (USD 4.9 trillion) by 2027 to take third place. These projections highlight the strength of India’s macroeconomic fundamentals, supported by prudent policies, a stable banking sector, and steady fiscal consolidation.

Inflation, though occasionally affected by food prices, largely stayed within the RBI’s target band. Non-performing assets reached multi-year lows, and India’s economy continued to demonstrate strength, with GDP growing by 6.5% in FY 2024–25.

⁶PIB
⁷PIB
⁸PIB
⁹IMF
¹⁰World Bank
¹¹ICRA

Outlook

For CY 2025, India’s GDP growth is expected to moderate, with projections of 6.2%⁹ 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%¹⁰, 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.

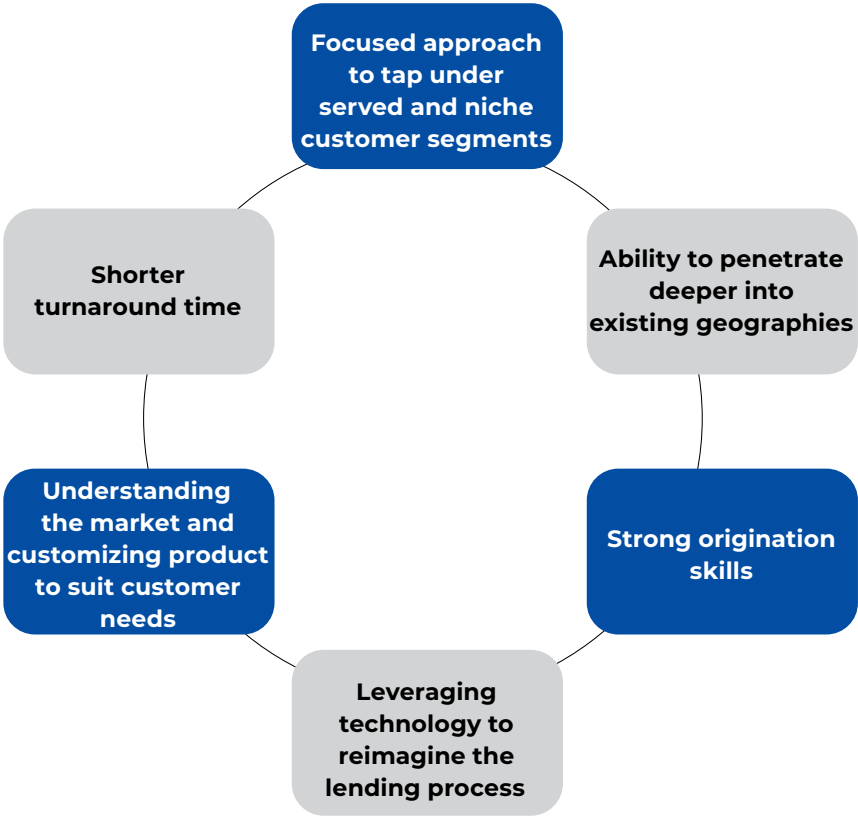
INDUSTRY OVERVIEW

Non-Banking Financial Companies (NBFCs)

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 trillion¹¹ 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.

Growth of NBFCs reflects the customer value proposition offered by them



Source: CRISIL M&A

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.

¹²CRISIL

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%¹² 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.

OVERVIEW OF UNDERLYING SEGMENTS

Automobile

The Indian automobile industry witnessed healthy growth in FY 2024–25, with domestic sales rising 7.3% and exports up 19.2%, driven by strong demand, infrastructure push, and supportive policies. Positive economic conditions and growing focus on sustainable mobility further supported the sector’s momentum.

Passenger Vehicles reached record sales of 4.3 million units, growing 2%, with Utility Vehicles forming 65% of total PV sales. Exports grew 14.6% to 0.77 million units, led by demand from Latin America, Africa, and new developed markets. Two-Wheelers saw a 9.1% rise to 19.6 million units, with exports up 21.4% at 4.2 million units. Growth was aided by improved rural demand and newer, feature-rich models.

Three-Wheeler sales hit a peak of 7.4 lakh units, up 6.7%, driven by passenger demand and urban mobility needs. Commercial Vehicles saw a slight dip of 1.2%, though exports jumped to 23%. EV registrations rose 16.9% to 1.97 million units, supported by government schemes like EMPS, PM E-DRIVE, and PM e-Sewa. The Indian automobile sector entered a phase of recalibration in FY 2024–25 following multiple years of robust expansion. While headline volume growth moderated due to base effects and inventory rationalisation, consumer demand fundamentals remained strong. The sector continues to benefit from steady income growth, favourable financing conditions and supportive policy interventions.

Automobile Domestic Sales Trends

Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles	27,73,519	27,11,457	30,69,523	38,90,114	4218,750	43,01,848
Commercial Vehicles	7,17,593	5,68,559	7,16,566	9,62,468	9,68,770	9,56,671
Three Wheelers	6,37,065	2,19,446	2,61,385	4,88,768	6,94,801	7,41,420
Two Wheelers	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,771	1,79,74,365	1,96,07,332
Quadricycles	942	-12	124	725	725	120
Grand Total	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,846	2,38,57,411	2,56,07,391

Automobile Exports Trends

Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Passenger Vehicles	6,62,118	4,04,397	5,77,875	6,62,891	6,72,105	7,70,364
Commercial Vehicles	60,379	50,334	92,297	78,645	65,818	80,986
Three Wheelers	5,01,651	3,93,001	4,99,730	3,65,549	2,99,977	3,06,914
Two Wheelers	35,19,405	32,82,786	44,43,131	36,52,122	34,58,416	41,98,403
Quadricycles	5,185	3,529	4,326	2,280	4,178	6,422
Grand Total	47,48,738	41,34,047	56,17,359	47,61,487	45,00,494	53,63,089

Commercial Vehicles (CVs)

The Commercial Vehicle segment saw a marginal de-growth of 1.2% in FY 2024–25 compared to the previous fiscal. However, the last quarter of the fiscal registered a positive uptick of 1.5%, indicating signs of recovery. While the overall truck segment experienced a slight decline, freight movement needs were adequately met through a shift towards higher gross vehicle weight (GVW) fleets. This transition was supported by the rapid expansion of highways and expressways, which played a key role in reducing logistics costs and improving regional connectivity. Additionally, infrastructure development contributed to increased demand for buses, both for inter-city travel and for mass mobility solutions in urban areas. On the external front, Commercial Vehicle exports recorded a robust growth of 23%, reaching 0.81 lakh units, reflecting stronger international demand and improved market access.

The commercial vehicle segment experienced a mixed performance, marked by subdued demand in certain sub-segments. However, structural drivers such as increased infrastructure investment, freight movement, and fleet renewal initiatives are expected to aid recovery. ICRA¹³ estimates:

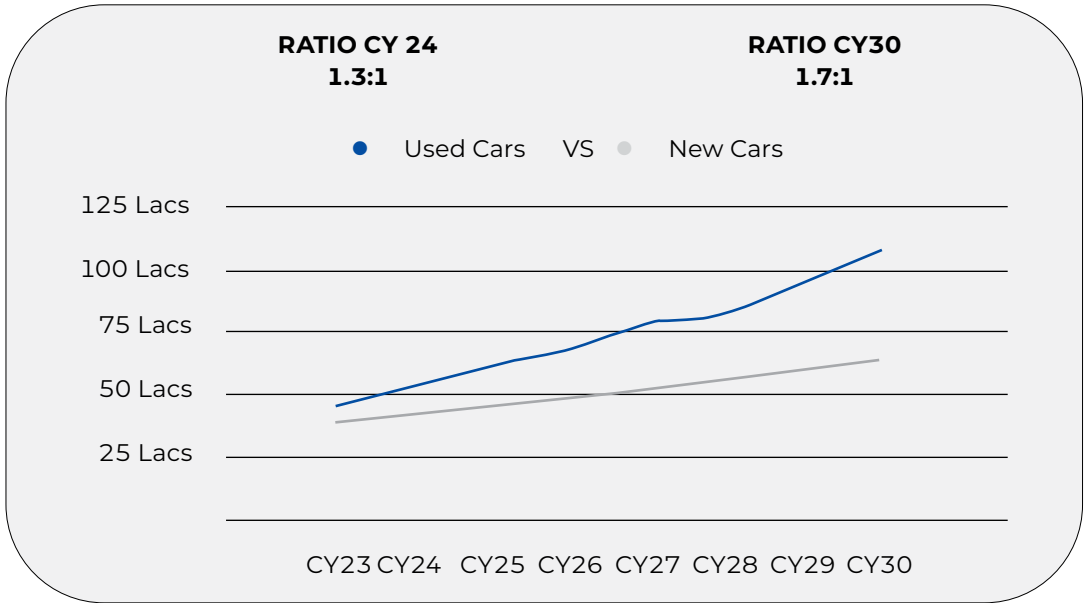
In FY 2025-26:

- Overall CV growth of 3–5%
- Bus segment growth of 8–10%, driven by public fleet replacements
- Light Commercial Vehicles (LCVs): 3–5%
- Medium & Heavy Commercial Vehicles (MHCVs): 0–3%, supported by economic activity and regulatory support like the vehicle scrappage policy

Pre-owned Car Loan Market

The pre-owned vehicle financing segment is undergoing transformation, supported by rising demand and improving formal credit access. Finance penetration in this segment currently stands at ~23%. NBFCs are playing a pivotal role, particularly in Tier 2 and Tier 3 markets, where their share of financing is expected to grow from 48% to 55%. The expansion is driven by better digital onboarding, customer familiarity with formal credit, and tailored loan offerings that improve affordability for aspirational buyers outside metro cities.

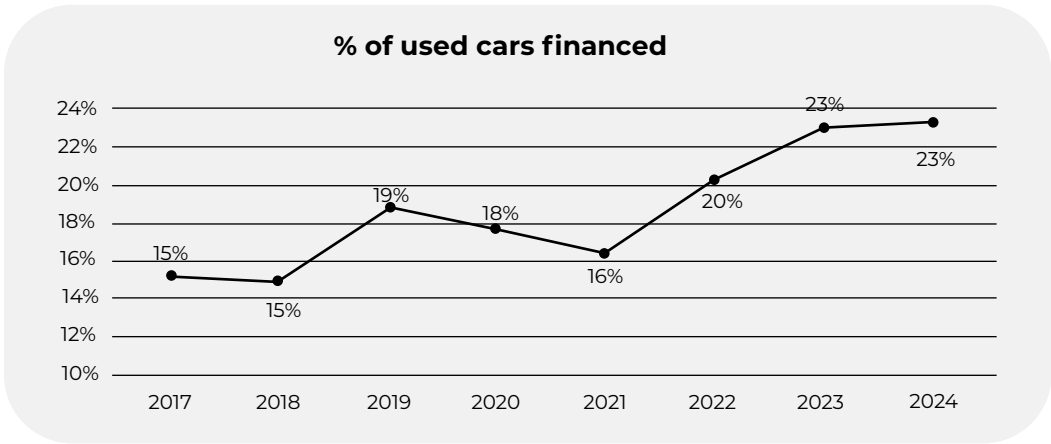
In calendar year 2024, India's pre-owned car market surpassed new car sales, with approximately 1.3 used cars sold for every new car. This trend is expected to strengthen over time, and by CY 2030, the ratio is projected to reach 1.7:1 — meaning that for every 10 new cars sold, around 17 used cars will be purchased. The used car market is poised for robust growth, with annual sales estimated to rise to 4.6 million units by CY 2030, reflecting a healthy compound annual growth rate (CAGR) of 13%.



¹³SIAM

USED CAR MARKET

Financing Trends In 2024



Loan Against Property (LAP) and SME Loans

In FY 2024-25, the Loan Against Property (LAP) and MSME lending segments exhibited strong growth, reinforcing their position as key drivers of secured and small business financing in India. The LAP market was valued at USD 758¹⁶ billion during the year, underpinned by increasing formalisation of credit demand, rising property ownership, and greater liquidity requirements among both salaried and self-employed borrowers. Offering competitive interest rates, flexible tenures, and streamlined documentation, LAP has emerged as an attractive credit solution. Growth in the segment has been further catalysed by the adoption of digital lending platforms and customised product offerings, particularly in Tier 2 and Tier 3 cities, where the monetisation of self-owned residential and commercial properties continues to expand the market base. The segment is projected to grow at a CAGR of 13.28%, reaching USD 1,598.23 billion by 2030, with commercial properties as the fastest-growing collateral category and southern India leading regional demand.

In parallel, MSME lending by NBFCs saw robust momentum, with loan books growing over 25% year-on-year to surpass ₹ 4.2 lakh crore¹⁷. Asset quality improved significantly, as Gross NPAs declined to 2.3% by Q2 FY 2024-25, supported by enhanced underwriting practices and recovery mechanisms. A large credit gap of over ₹103 trillion persists in the MSME sector, with only 25%¹⁸ of demand currently

addressed through formal channels. This presents a substantial opportunity for NBFCs to leverage digital infrastructure, embedded finance models, and strategic partnerships to deliver scalable and tailored credit solutions that support the continued formalisation and growth of India's MSME ecosystem.

Consumer and Personal Loan

The personal loan segment in India experienced a significant slowdown in FY 2024-25. In FY 2024-25, personal loan growth decelerated to 14.9%¹⁹ year-on-year, down from 17.6% in the previous year. This trend continues into FY 2025-26, with personal loan growth further declining to 9.2% in January 2025, compared to 20.8% in January 2024. The slowdown is attributed to tighter lending norms and increased risk weights on unsecured loans, implemented by the RBI to curb excessive credit expansion and mitigate systemic risks.

Despite the overall deceleration, banks continue to focus on salaried borrowers in Tier 1 cities, while non-banking financial companies (NBFCs), particularly fintechs, have expanded their presence by offering lower-ticket-size loans to non-metro customers, enabled by fintech-NBFC collaborations and improved data analytics for underwriting.

Gold Loans

In FY2024-25, non-banking financial companies (NBFCs) were projected to expand their retail gold loan portfolios by 17% to 19%²⁰, driven primarily by

elevated gold prices and a shift in borrower preference away from unsecured credit. Despite intensifying competition from banks, particularly public sector banks expanding their agri-gold loan portfolios, NBFCs continued to maintain a strong presence in the retail gold loan segment. As of September 2024, their gold loan assets under management (AUM) stood at ₹1.8 trillion.

The sector's performance was supported by operational efficiency and stable credit profiles. Credit costs remained low at below 0.5%, aided by the highly liquid nature of gold collateral and timely auctions. Although yield pressures had eased compared to previous years, NBFCs' lending rates were still 200 to 300 basis points lower than their peak levels in FY2021-22. As a result, profitability depended largely on improving operational leverage and expanding digital lending channels.

Growth prospects are now being reshaped by regulatory changes. In draft guidelines released on April 3, 2025, the Reserve Bank of India proposed a uniform loan-to-value (LTV) cap of 75 percent for all gold loans, irrespective of the loan purpose. Along with stricter norms around bullet repayment structures, these measures are expected to moderate disbursements in the near term. However, the regulations are intended to standardise lending practices, reduce credit risk, and enhance transparency. Supported by low credit costs and rising digital adoption, the NBFC gold loan segment is well positioned for long-term resilience and sustainable growth.

STANDALONE FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Operational Performance

During FY 2024-2025, the total income (before interest expenses and including fee and other income) stood at ₹ 4,223 Crore. Net Interest Income (Total Income (-) Interest expenses) for the year grew by 23% to ₹ 2,708 Crore and Net Interest Margin for FY 2024-25 remained at 9.58%.

Operating expenses increased to ₹ 1,291 Crore for FY 2024-25 from ₹ 807 Crore in FY 2023-24 on account of one time opex of ₹ 71 Crore and strategic investments in technology, infrastructure, distribution & talent in existing and new products, aimed at building future ready infrastructure and sustainable profitability. The Cost to Net Income Ratio remained at 47.7% for FY 2024-25. Pre-provision operating profit grew by 2% to ₹ 1417 Crore as compared to ₹ 1389 Crore in FY 2023-24. Provisions for the year FY 2024-25 remained at ₹ 1553 Crore as compared to ₹ 72 Crore in FY 2023-24.

Profit after Tax (excluding exceptional items) for FY 2024-25 is ₹ (98) Crore as compared to ₹ 1,027 Crore for FY 2023-24 and Profit after Tax (including exceptional items) is ₹ (98) Crore as compared to ₹ 2,056 Crore for FY 2023-24. The Return on Assets (%) excluding exceptional items for FY 2024-25 is (0.35%) as compared to 5.24% in FY 2023-24.

Loan Assets

The loan assets grew by 42.5% YoY to ₹ 35,631 Crore as on March 31, 2025, from ₹ 25,003 Crore as on March 31, 2024. The loan assets are well diversified with MSME Lending constituting 36%, personal and consumer loans constituting 23%, loan against property and pre-owned car finance constituting 24% and 14% respectively.

On-book secured unsecured mix as on March 31, 2025 is 57:43 compared to 49:51 as on March 31, 2024.

Asset quality

The Gross Stage 3 Assets ratio as on March 31, 2025 is 1.84%, as compared to 1.16% as on March 31, 2024. Similarly, the Net Stage 3 Assets ratio is 0.85% as on March 31, 2025, as compared to 0.59% as on March 31, 2024.

Liquidity

We maintained a strong liquidity position throughout the year. Liquidity is composed of cash/ cash equivalents, available bank lines and stock of unencumbered liquid investments. We ended the year under review with standalone liquidity of around ₹ 4,686 Crore comprising available cash and cash equivalent, unutilised credit limits and partially undrawn term loans.

During the year, the Company has raised fresh term loans of ₹6,450 Crore and external commercial borrowings of ₹1,477 Crore from banks and other financial institutions for a door-to-door tenor ranging from 2 to 5.5 years. Besides public sector banks/financial institutions, incremental credit lines were received from private banks to diversify the borrowing base. The Company also raised commercial paper (CP) aggregating to ₹ 17,115 Crore (peak outstanding of CP during the year was ₹ 5,350 Crore) and ₹ 960 Crore of secured non-convertible debentures during the year through private placement basis.

By way of contingency funding, the Company maintained a stock of highly liquid investments, undrawn bank lines and a buffer of unencumbered assets. This was overlaid by continuous discussions with market participants and bankers for

¹⁴ICRA

¹⁸Economic Times

¹⁵SIAM

¹⁹Reuters

¹⁶TechSci Research

²⁰ICRA

¹⁷CareRatings

enhancements and fresh facilities thereby maintaining robust funding pipelines. Pool sales through assignments and securitisation can be other options of raising funds.

During the year under review, the long-term ratings assigned to various debt instruments and bank facilities of the Company were reaffirmed by CARE Rating and CRISIL to ‘CARE AAA; Stable’ and ‘Crisil AAA/Stable’ respectively on strong parentage, low leverage, comfortable asset quality, focused and diversified product approach in retail segment and a strong senior management team.

Financial highlights

(₹ In Crore)		
Particulars	FY 2025	FY 2024
Total Income	4,222.84	3,151.82
Finance cost	1,515.09	955.10
Net income	2,707.75	2,196.72
Operating expenses	1,290.57	807.36
Pre-provisioning operating profit	1,417.18	1,389.36
Net loss on derecognition of financial instruments	94.41	-
Impairment on financial instruments	1,458.17	72.02
Profit/(loss) before exceptional item and tax	(135.40)	1,317.34
Exceptional items	-	1,221.20
Profit/(loss) before tax	(135.40)	2,538.54
Profit/(loss) after tax	(98.34)	2,055.96
Other comprehensive income	(14.08)	0.83
Total comprehensive income	(112.42)	2,056.79

Details of key financial ratios on standalone basis

Ratios	FY2025	FY2024
Operating expenses to Net Income	47.7%	36.8%
Return on average assets (ROA)*	(0.3%)	5.2%
Return on average equity (ROE)*	(1.2%)	13.4%
Capital to risk-weightage asset ratio (CRAR)	22.94%	33.80%
of which, Tier I	21.67%	32.28%
of which, Tier II	1.27%	1.52%

*Excluding Exceptional Items

Ratios	FY2025	FY2024
Gross NPA	1.84%	1.16%
Net NPA	0.85%	0.59%
Debt equity ratio	3.19	1.86
Provisioning coverage ratio (PCR)	54.47%	49.39%
EPS - Basic (₹)	(1.27)	26.75
Diluted (₹)	(1.27)	26.43
EPS- Basic (₹)*	(1.27)	13.37
Diluted (₹)*	(1.27)	13.21

*Excluding Exceptional Items

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

At standalone level, Return on Assets (ROA) excluding exceptional items decreased from 5.24% in FY 2023-24 to (0.35%) in FY 2024-25 and Return on Equity (ROE) excluding exceptional items decreased from 13.4% in FY 2023-24 to (1.2%) in FY 2024-25 on account of one-time accelerated provisioning of ₹ 666 Crore on the erstwhile small ticket personal loan book along with continued investments in existing & new business lines and one time opex of ₹ 71 Crore.

BUSINESS REVIEW

At Poonawalla Fincorp Limited, we continued to drive our strategy of building a sustainable, technology-led, and customer-focused financial institution throughout FY 2024–25. Backed by disciplined execution, product innovation, and prudent risk management, we further strengthened our presence in the Consumer and MSME lending ecosystems, while enhancing operational agility and resilience.

Over the past year, we have made significant investments in launching multiple scalable lending platforms across secured, unsecured, and digital segments. These businesses are being built methodically—person-by-person, process-by-process—underpinned by robust risk management frameworks and technology-driven delivery systems. Our focus remained on targeted markets, prioritising key revenue and profit pools.

We have laid out five building blocks to drive our growth. The First building block is our people. Our senior leadership has been onboarded, completing the leadership foundation of organisation with the right management depth. Further, our businesses team is moving at great momentum. Across organization, we are bringing in scalability and consistency in our people practices.

Our second building block is our products and distribution. We have laid out our vision to become a multi-product lender that serves the aspiration of Bharat holistically, expanding from a product portfolio of existing four products to around 10 and phase-wise launch of 400 new branches by FY 2025 -26. We launched Prime Personal Loan and now ramped up to the levels of approximately ₹ 200 crores of monthly run rate. This business will augment our presence in the middle-income segment across the country and complement our play in the consumer durables and education loans. Further, we have identified opportunities in Education Loans, Commercial

Vehicles Loans, Consumer Durable Loans, Shopkeeper Loans, and Gold Loan.

The third pillar of our transformation strategy is to embed AI and analytics deeply into our operating model. With a clear AI roadmap and collaborative efforts with leading institution, we are deploying targeted use cases across credit, risk, collections, digital marketing, compliance, audit, HR, customer service, IT, analytics, admin, infrastructure, and operation. From AI-led underwriting to GenAI-driven hiring and customer engagement tools, these innovations are enhancing efficiency, risk management, and user experience.

Simultaneously, our technology strategy, our fourth pillar, focuses on modular, scalable architecture, unified platforms, and omnichannel journeys to support growth. Emphasis on data governance, cybersecurity, and regulatory compliance ensures our AI-led evolution is secure, responsible, and future-ready.

Our fifth pillar—risk management—forms the foundation of PFL 2.0, built around People, Design, and Process. With a strong talent bench, advanced credit algorithms, AI-led decisioning, and automated collections, we are enhancing credit quality, portfolio resilience, and governance. Strategic innovation and data-driven frameworks drive scalable, efficient, and secure lending growth.

SEGMENT-WISE BUSINESS PERFORMANCE

MSME Loans

Our MSME portfolio—which includes Business Loans, Loans to Professionals, and Supply Chain Finance & other products—continued to gain traction across geographies and sectors. AUM rose by 40% to ₹ 12,942 Crore as on March 31, 2025, from ₹ 9,260 Crore in the previous year. This segment accounted for 36% of the loan assets, compared to 37% in FY 2023–24.

Personal and Consumer Loans

The Personal and Consumer Loans segment which includes Prime Personal Loans and Small Ticket Personal Loans remained a key growth driver. AUM rose by 38% to ₹8,098 Crore as on March 31, 2025, compared to ₹5,855 Crore as on March 31, 2024. This segment contributed 23% of the total loan book in line with FY2023-24.

Loan Against Property (LAP)

The LAP segment demonstrated strong performance backed by digital underwriting and efficient risk frameworks. AUM increased by 108% to ₹ 8,466 Crore as on March 31, 2025, compared to ₹ 4,072

Core as on March 31, 2024. This business constituted 24% of the total loan assets as of March 31, 2025, an improvement from 16% in the previous year.

Pre-owned Car Finance (POC)

Within the secured lending portfolio, our Pre-Owned Car (POC) finance business delivered strong momentum during the year. AUM increased by 34% to ₹ 4,883 Crore as on March 31, 2025, from ₹ 3,647 Crore a year earlier. The growth was led by expanding customer segments and improved distribution reach. This segment accounted for 14% of the loan assets, as compared to 15% in FY 2023–24.

Key Focus Areas for FY 25-26

Retail-Led, Digital-First Lending Expansion

Drive growth in prime and super-prime retail segments through fully digital, paperless journeys across personal, professional, and MSME loans. Deepen customer reach through a robust phygital model, spanning app, web, branches, DSAs, and call centres.

Product Diversification and Lifecycle Monetisation

Scale high-yield, customer-centric products including PL Prime, Gold Loans, Shopkeeper Loans, Consumer Durables, CVs, and Education Loans. Strengthen lifetime value through targeted cross-sell and segment-specific strategies across urban and semi-urban markets.

Profitability through Cost Optimisation and Yield Focus

Improve ROA and ROE by prioritising secured, high-yield products, while controlling costs through tech-enabled automation, lean processes, and centralised operations. Sustain opex-to-AUM and cost-to-income ratios despite scaling.

AI-First Operating Model

Embed Artificial Intelligence and Machine Learning across credit, collections, HR, compliance, and customer service. Leverage predictive decisioning, intelligent automation, and Large language models to enhance accuracy, responsiveness, and efficiency at scale.

Strengthening Risk Management and Governance Framework

Reinforce robust credit and operational risk frameworks using AI-driven scorecards, early

warning systems, stress testing, and risk-adjusted pricing. Maintain industry-best asset quality and provisioning standards even while scaling new portfolios.

Collections Reinvention for Scale and Sustainability

Modernise collections through persona-based strategies, AI-assisted allocation, multilingual bots, and real-time tracking. Optimise capacity planning, improve recovery efficiency, and ensure asset quality during rapid AUM expansion.

Liability Diversification and Liquidity Management

Optimise the cost and mix of borrowings through a broad base of lenders/investors including banks, financial institutions, mutual funds, insurance companies and corporate treasuries and increasing focus on NCDs and external commercial borrowings. Maintain a strong AAA credit rating, positive ALM profile, and liquidity buffer to support future growth.

Building Institutional Strength and Execution Agility

Invest in internal capability building through AI-led HR systems, zero-click experience, talent development, and governance-first culture. Strengthen execution agility to support the company’s ambition of 5–6x AUM over the next five years from FY24

SWOT ANALYSIS

Strengths

Strong Brand Equity and Experienced Leadership

As a part of the Cyrus Poonawalla Group, the Company benefits from a strong legacy and brand trust. The leadership team brings deep expertise and a clear strategic focus on technology-led growth, asset quality, and operational excellence. In FY 2024–25, the Company continued to steer its roadmap effectively amidst macro uncertainties, with a focus on risk-calibrated expansion and customer-centric innovation.

Prudent Capital and Risk Management

The Company sustained a disciplined risk and capital management approach, ensuring resilience across cycles. As of March 31, 2025, Poonawalla Fincorp reported a healthy Capital to Risk (Weighted) Assets Ratio (CRAR) of 22.94%, well above regulatory requirements. Gross NPA stood at 1.84%, and Net NPA at 0.85%, among the lowest in the industry.

Provision Coverage Ratio (PCR) remained strong at 54.47%, supported by one-time provisioning in specific portfolios. The Company maintained top-tier credit ratings—CARE AAA; Stable and CRISIL AAA/Stable—reaffirming its robust financial profile and market credibility.

Digital Innovation, Technology Integration and Governance first approach

In FY 2024–25, Poonawalla Fincorp significantly deepened its digital-first operating model. Loan sourcing was conducted through digital channels, while customer service interactions were managed via WhatsApp, reflecting the Company’s commitment to seamless experiences. A robust backend architecture now supports end-to-end digital journeys with high throughput and minimal human intervention, contributing to reduced Turn-Around Times (TAT), improved user experience, and higher customer satisfaction. Multiple AI-led initiatives were launched across functions to further improve precision, efficiency, and reliability.

Phygital, Cost-Efficient Distribution Model

The Company’s phygital model blends digital scale with physical outreach. Strategic integrations with fintechs, aggregators & digital ecosystem helped expand reach and maintain acquisition cost efficiencies. This architecture supported the launch and ramp-up of multiple new products.

Weaknesses

Need for Real-Time Product Feedback and Iteration Cycles

Reflecting on previous years experiences, it becomes apparent that the scope for enhancing our focus on the continuous monitoring and performance evaluation of new offerings is significant. As the product portfolio expands, faster iteration cycles and agile product innovation frameworks will be crucial for sustaining product-market fit and deepening customer engagement.

Opportunities

Expanding Digital Credit Penetration in Tier 2+ Markets

India’s continued digitisation, particularly in Tier 2 to Tier 4 markets, presents significant growth potential. Increasing smartphone penetration, improved digital literacy, and rising credit aspirations among underserved populations enable the Company to tap into a vast, underpenetrated borrower base with tailored, digital-first products.

Deepening Presence in High-Growth Retail and MSME Lending Segments

The Company’s product suite—comprising of Existing products i.e. Personal Loans, Professional Loans, Business Loans, Loans Against Property (LAP), and Pre-Owned Car Finance & New Products i.e. Prime Personal Loans, Education Loan, Commercial Vehicle, Consumer Durable, Shopkeeper Loans & Gold Loans—is well-aligned with evolving consumer and small business credit demand. FY 2024–25 saw strong traction in existing products, with significant headroom remaining for further market share gains.

Strategic Partnerships and Embedded Finance

Strategic Partnerships with fintechs, aggregators and digital ecosystems offer new distribution levers through embedded finance models. API integrations and white-labelled offerings can unlock new customer segments while keeping cost of acquisition low, particularly in consumer-facing and unsecured lending categories.

Threats

Intensifying Competitive Landscape

The rise of agile fintech lenders and digital NBFCs has intensified competition across unsecured lending categories. Their ability to offer rapid decisioning, personalised journeys, and aggressive pricing poses risks to customer retention and margin stability.

Geopolitical and Economic Uncertainty

Geopolitical tensions, currency volatility, and global inflationary trends may affect domestic economic sentiment and investor confidence. These externalities could influence credit off-take, increase risk provisioning, and warrant cautious balance sheet management.

RISK MANAGEMENT

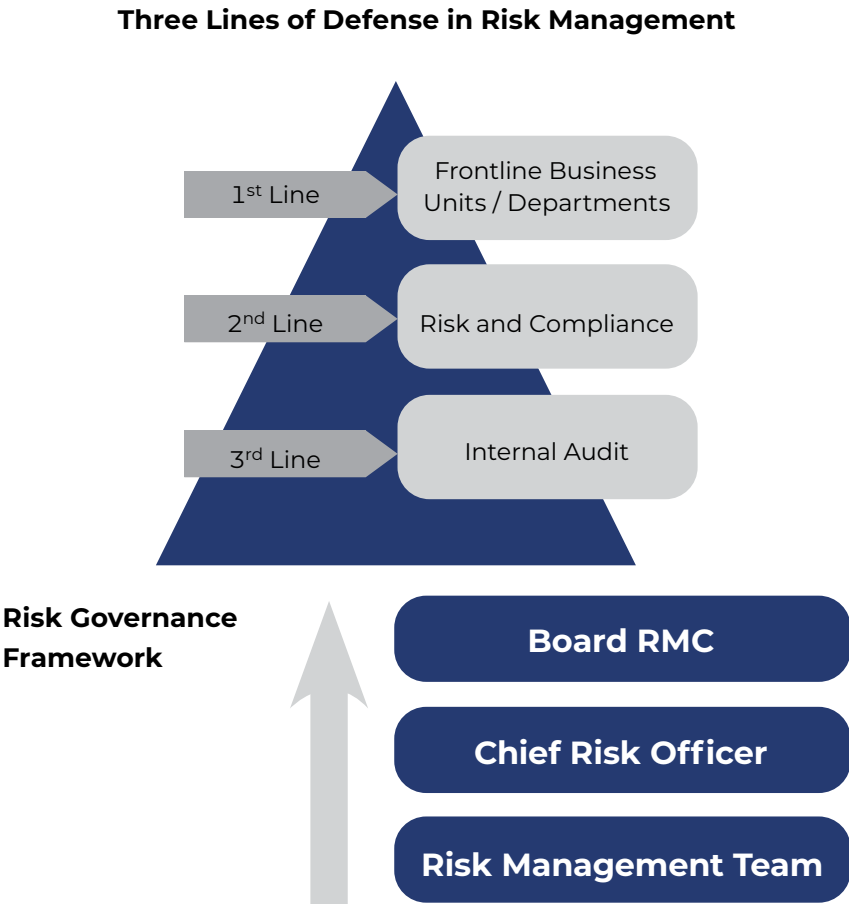
Our company has established a robust Integrated Risk Management (IRM) policy, endorsed by the Board and subject to regular review, to oversee and manage the spectrum of risks inherent in our operations. This framework encompasses a wide range of risk categories, including but not limited to Credit Risk, Operational Risk, Market Risk, Liquidity Risk, Compliance Risk, Reputational Risk, Financial Risk, and People Risk. Central to our approach is the identification, measurement, mitigation and reporting of risks, supported by continuous monitoring of Key Risk Indicators (KRIs) to ensure organisational objectives are met across all business units.

The implementation of our IRM framework is spearheaded by our Senior Management team, reflecting our commitment to embedding risk management practices deeply within our corporate ethos. Our risk management strategy is built upon five foundational principles:

1. Objectively constructed Risk Appetite Statement covering all key aspects of a lending business;
2. Independent governance and risk management oversight;
3. Establishment of forward-looking strategic risk assessment with pre-emptive credit and liquidity interventions, to ensure proactive early action in the event of emerging market adversity;
4. Maintenance of well-documented risk policies with performance guardrails; and
5. Extensive use of risk and business analytics, and credit bureau as an integral part of decision-making process.

The leadership of our Risk Management Department is entrusted to the Chief Risk Officer (CRO), who plays a pivotal role in guiding the organisation's risk management policies and practices. The CRO is charged with the oversight of all risk dimensions—including credit, operational, market, liquidity, reputational, compliance, financial and people risks across all businesses, products, and processes. This structure ensures a cohesive and integrated approach to risk management, safeguarding our company's integrity and financial health.

The risk governance framework is depicted in the chart below.



CREDIT RISK

Our institution has established a sophisticated approach to managing credit risk, ensuring that every loan sanction and booking is governed by an independent approval process. This process is guided by nuanced product policies, stringent customer selection criteria, precise credit acceptance standards, and a thorough credit underwriting framework. Through this approach, we are able to conduct a comprehensive assessment of each customer, taking into account both financial and non-financial metrics to ensure a balanced evaluation.

Management of the Risk

Credit Policy Framework

All credit policies within our organisation are documented and receive formal approval from the Risk Management Committee of the Board. To remain responsive to evolving macro-economic conditions, industry trends, segment-specific dynamics, and insights from credit bureau data, alongside our own internal portfolio performance, these policies are subject to regular review and updates.

Credit Risk Management Policy

We have developed a detailed Credit Risk Management Policy that articulates the various facets of credit risk and outlines our management framework. The policy encompasses exposure norms, identifies sensitive sectors, sets portfolio guardrails, and details regulatory restrictions on loans and advances, among other critical parameters.

Credit Approval and Administration

Our credit approval and administrative processes leverage a Credit Rule Engine, combined with the expertise of seasoned credit appraisal professionals, and an effective delegation of credit authority. This approach ensures judicious management of credit approvals.

Portfolio Quality Monitoring

The enhancement of portfolio quality is an ongoing endeavour. We employ continuous monitoring of our loan portfolio using a variety of indicators to promptly identify any early warning signs of stress. This approach allows us to maintain the superior quality of our portfolio credit. Additionally, we engage in hind-sighting exercises to identify and implement necessary interventions in our Credit Policy. Such measures are aimed at further enhancing portfolio quality and minimising potential losses, ensuring our institution's resilience and financial stability.

OPERATIONAL RISK

In FY2025, our Operational Risk (OR) team played a crucial role in identifying, assessing, monitoring, and mitigating risks throughout the organisation. Through Risk and Control Self-Assessment (RCSA) exercises, Internal Finance Control (IFC) testing, KRI monitoring, and the implementation of action plans to address process gaps, we have strengthened our operational risk management.

The OR team supports senior management in risk oversight by providing quarterly operational risk updates to the Operational Risk Management

Committee (ORMC) and the Risk Management Committee (RMC).

Management of the Risk

Operational Risk Management Policy

We have instituted a well-documented Operational Risk Management Policy that serves as the encapsulation of our approach, providing clear guidelines and procedures for identifying, assessing, and mitigating operational risks.

Governance Structure

A robust governance structure guides our Operational Risk Management efforts, defining roles, responsibilities, and accountability across the organisation to ensure effective oversight and implementation of risk mitigation strategies.

Identification and Monitoring Tools

Our use of sophisticated identification and monitoring tools, including Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRIs), facilitates ongoing vigilance and proactive management of potential risks.

Reporting and Communication

Standardised reporting templates and a structured reporting frequency ensure consistent communication of Operational Risk information. This framework supports transparency and facilitates informed decision-making at all levels of the organization.

Culture of Risk Awareness

Through regular workshops and training sessions, we foster a culture of risk awareness and encourage a proactive stance towards risk management among our employees, enhancing our overall risk culture.

Three Lines of Defence Approach

1. First Line of Defence: At the operational level, functions and verticals engage in transaction testing to evaluate compliance internally, initiating "bottom-up" process improvements. This approach fosters ownership and swift implementation of corrective actions to mitigate identified risks.
2. Second Line of Defence: An independent risk management vertical collaborates with the first line to develop risk mitigation strategies and maintain oversight through continuous monitoring. Key risks are systematically reviewed by the Risk Management Committee on a quarterly basis.

3. Third Line of Defence: Our Internal Audit team conducts periodic risk-based audits across all functions and processes, offering an independent evaluation and assurance to the Audit Committee regarding the effectiveness of risk management practices.

FRAUD RISK MANAGEMENT

Fraud can undermine the effective functioning and divert scarce and valuable resources of the organisation. Moreover, fraudulent and corrupt behaviour can seriously damage reputation and diminish trust to deliver results in an accountable and transparent manner. To combat fraud, our organisation has an effective governance framework for preventing, identifying, reporting and effectively dealing with fraud and other forms of corruption. We are consistently putting efforts to prevent, detect and contain frauds. We have a dedicated Fraud Risk Management Unit (FRMU) to monitor, investigate,

detect and prevent frauds. The unit has been further strengthened during FY25. We are committed to preventing, identifying and addressing all acts of fraud against our organisation, whether committed by the staff members or other personnel or by third parties. We have zero tolerance for fraud. To this effect, we are committed to raising awareness of fraud risks, implementing controls aimed at preventing fraud, and establishing and maintaining procedures applicable to the detection of fraud. As a second line of defence Fraud Risk Management, monitors & checks compliance and reports all fraud risks in the institution on an ongoing basis. The FRMU reports to the Chief Risk Officer. All frauds as specified by the regulator are being monitored by the Committee of Executives [COE] (formed as per Master Directions on Frauds) and further updated to Audit Committee and Board of Directors.

The roles and responsibility of Fraud Risk Management Unit are highlighted below:

Component	Principal
Control Environment	- Fraud Risk Management Policy is developed and reviewed periodically. - All processes are being reviewed through ORM and Fraud risk to mitigate un-foreseen gaps. - Cross functional training
Risk Assessment	- Comprehensive fraud risk assessments are done in support of ORM. - Processes are being reviewed to plug the gaps. - Learning through investigations is shared to mitigate the open risks for more effective policy & processes.
Information & communication	We have established a communication process to obtain information about potential fraud through whistle blower policy and has deployed a coordinate approach to investigation and corrective action to address fraud appropriately and in a timely manner.
Monitoring	All frauds are reported to the regulator and are reviewed by the COE & updated to Audit Committee as well as Board of Directors.

MARKET RISK

Market risk has the potential to adversely impact our financial positions due to fluctuations in market prices - including changes in interest rates, foreign exchange rates, and equity and commodity prices. To safeguard the organisation against these uncertainties, we adhere to a Market Risk Management Policy that has been approved by our Board.

Management of the Risk

To manage the liquidity of our portfolio effectively while minimising market risk, we focus our investments on fixed income securities. This strategy is primarily aimed at liquidity management, with a keen awareness of the key risks inherent to fixed income investments, namely interest rate risk and default risk. Our investment approach is carefully calibrated to prioritise securities that present negligible to low default risk. Additionally, we employ strategic duration targeting to mitigate the impact of interest rate fluctuations, ensuring that our investment practices are aligned with our risk appetite and overall financial health objectives.

FOREIGN EXCHANGE RISK

Any foreign currency exposure undertaken by the Company is adequately hedged as a measure of robust risk management.

LIQUIDITY RISK

Liquidity risk arises from mismatches in the maturities of our borrowed and disbursed funds, potentially affecting our ability to fulfil obligations and achieve business goals. It is crucial to ensure minimal disparity between the tenure of borrowed funds and the assets they finance. Our efforts are geared towards maintaining an optimal asset-liability match in terms of both tenure and interest rates,therebysafeguarding our financial stability and operational fluidity.

Management of the Risk

Our approach to managing liquidity risk is guided by rigorous fund management practices and a focused effort on diversifying our borrowing portfolio. This diversification strategy enhances the resilience of our funding sources and expands our lender base across various segments, including Public & Private Sector Banks, Insurance Companies, Mutual Funds, Pension Funds, Financial Institutions, Corporates, and Foreign Portfolio Investors.

In pursuit of liquidity risk mitigation, our Company has cultivated a diversified liquidity mix, characterised by a level of unutilised bank limits, partially drawn bank lines, and on-balance-sheet liquidity reserves such as Fixed Deposits, liquid funds, and overnight funds. These measures collectively contribute to our capability to manage liquidity risk at an optimal level efficiently.

Central to our liquidity risk management framework is the Asset Liability Management Committee (ALCO). The ALCO convenes periodically to review our asset-liability position, borrowing costs, fund costs, and the sensitivity of projected cash flows, including conducting Stress Testing across short and long-term horizons. Based on its assessments, the ALCO proposes corrective actions to address any identified gaps. Additionally, the ALCO remains attuned to changes in the economic landscape and financial markets, formulating recommendations for effective resource allocation. This forward-looking approach ensures continuous alignment with our financial risk management objectives,encompassing asset-liability, foreign currency, and liquidity risk management. Being a “AAA” rated company further enhances our ability to raise funds at competitive rates.

PEOPLE RISK

Recognising that our workforce is our most invaluable asset, we prioritise fostering a work environment conducive to both the professional growth and well-being of our employees. Our organisational policies are designed to ensure a workplace that is healthy

and safe while being inclusive and free from any form of discrimination or harassment. This commitment to our employees enables us to attract, engage, and retain top talent, thereby creating enduring value for our customers and stakeholders alike.

Management of the Risk

Skilled Manpower Availability

We actively address the challenge of sourcing candidates who possess the requisite skill set and experience while aligning with our organisational culture. This involves leveraging innovative recruitment strategies and developing partnerships with educational institutions to tap into a broader talent pool.

Productivity Risk

To mitigate productivity risks associated with longer learning curves and the time-intensive nature of hiring or replacing personnel, we have instituted comprehensive onboarding and training programmes. These initiatives are designed to accelerate proficiency and ensure that new hires contribute effectively in a shorter timeframe.

Succession Planning

Understanding the importance of leadership continuity for business sustainability, we have developed a structured approach to succession planning. This strategy includes identifying potential leadership gaps and nurturing a pipeline of internal candidates equipped to assume these roles when the need arises.

CYBERSECURITY RISK

We recognise cybersecurity risk as a critical concern - reflecting the potential for unauthorised data access by unethical hackers. This could lead to financial, reputational, and legal repercussions. The advent of sophisticated threats like zero day, viruses ransomware and spyware such as Pegasus shows the evolving complexity of cybersecurity challenges. To safeguard against these vulnerabilities, our Company has instituted a robust risk management framework centred on employee awareness and preventive training.

Management of the Risk

Employee Awareness and Training

Our cybersecurity strategy is rooted in comprehensive training aimed at educating employees about digital safety practices. The training programmes cover safe digital behaviours, awareness of phishing and vishing

scams, and the importance of avoiding downloads from unverified sources. Simulated phishing exercises are conducted to test and reinforce these practices among the staff.

Executive Training

Specialised training sessions are held for CXOs and senior management, focusing on high-level fraud risks and artificial intelligence tools for security enhancement. These targeted sessions equip the Company's leaders with the knowledge to navigate the cyber threat landscape effectively.

Internal Capital Adequacy Assessment Process (ICAAP)

We have adopted the ICAAP framework as enunciated in the Scale Based Regulation framework. As part of the risk assessment under ICAAP framework, we have quantified capital requirement for all material risks that our Company is exposed to and stress scenarios pertaining to these risks. The recent ICAAP exercise indicates that our company has sufficient capital cushion available to meet its capital requirements after factoring in material risks as well as stress testing scenarios.

Internal Control System

The Management has laid down a set of standards, processes and structure which enables it to implement internal financial controls across the organization with reference to financial statements and such controls are adequate and are operating effectively. Internal Finance control framework has been established in line with Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

During FY 2024-25, testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk and Control matrix. Testing was done for each of the controls confirming the existence and operating effectiveness of controls over financial reporting. Review was performed on design, adequacy and operating effectiveness of the controls.

The internal financial control is supplemented by extensive internal audits, regular reviews by the Management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with management

responses. The Audit Committee also monitors the implemented suggestions. The Company has, in all material respects, adequate internal financial control over financial reporting and such controls are operating effectively.

The Joint Statutory Auditors of the Company have also certified the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 31, 2025. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

Commitment to Continuous Improvement

Poonawalla Fincorp remains committed to continuously strengthening its internal control systems in line with evolving regulatory requirements and global best practices. By aligning our controls with our digital transformation journey, we aim to enhance governance, operational excellence, and stakeholder confidence.

HUMAN RESOURCE

Human Resource - People Count at Every Step

Human Resources (HR) departments play a crucial role in driving organizational success. The transformational journey of HR within an organization involves implementing best practices to ensure the development and growth of both the employees and the company. Below are some of the key aspects of HR transformational Journey that contribute to PFL's Success.

In the FY 2024-25, the Human Resources department prioritized innovation and efficiency through strategic automation and the integration of Artificial Intelligence (AI) into core HR functions. This forward-looking approach was designed to enhance decision-making and improve employee experience across the organization. This transformational journey of HR within an organization is setting industrial benchmarks. Below are some of the key aspects of HR transformational Journey that contribute to PFL's Success.

Aligning HR Strategy with Organization Goals

One of the fundamental steps to enable the transformational journey of PFL was to align the people strategy to the organization goal and vision 2026. It was imperative for the Human Resources team to understand the organizational objectives and challenges, thereby designing appropriate strategies that would accelerate the organizational goal.

Following are a few of the strategic interventions that we undertook to enable the growth journey while staying aligned to our value framework – CREDIT.

Cultivating a Culture of Transparency:

In alignment with our HR vision of enabling a “Zero Clicks” experience and streamlining HR interactions, the year witnessed a series of high-impact interventions designed to drive employee engagement, productivity, and wellbeing. Anchored in a culture of agility and smart, AI-enabled processes, our initiatives reflect a “Customer-First, AI-First” mindset aimed at shaping a future-ready workforce.

One of the standout initiatives was the launch of the MD's Honour Framework, a prestigious recognition platform under the aegis of the MD & CEO's desk, designed to celebrate exemplary contributions and reinforce a culture of high performance and innovation. To enhance hiring outcomes and capability development, we strengthened collaboration between Talent Acquisition, Learning & Development, and Hiring Managers, ensuring hiring sources were aligned with learning needs and future capability planning. In a decisive step toward talent retention, especially in tech functions, we standardized a five-day workweek for IT teams, aligning with industry best practices and making the organization more attractive to high-caliber talent.

Furthering our commitment to responsible innovation, a Committee of Executives was formed to oversee the Governance of AI adoption, ensuring ethical use and mitigating risks.

To strengthen transparency and employee connect, we launched a dedicated HR WhatsApp handle, enabling real-time communication and faster dissemination of key updates and initiatives. Reinforcing our commitment to fairness and employee voice, also rolled out a refreshed Employee Grievance Redressal Guidelines focused on consistency, empathy, and transparency. Our leadership doubled down on openness and accountability by promoting value-based people practices and championing a culture of trust.

To ensure that our organizational structure and compensation practices are aligned with industry standards and best practices, we have undertaken a comprehensive Job Evaluation, Job Sizing, and Job Benchmarking exercise. This initiative is a critical

component of our commitment to maintaining a fair, transparent, and competitive workplace. This exercise underscores our dedication to creating a workplace where employees feel valued and compensated.

Productivity & Performance culture:

To ensure clarity and alignment across teams, department-level Scorecards were introduced, objectively measuring performance through quantifiable, transparent and verifiable metrics linked to both outcomes and process adherence. Further, objectivity in Mid-Year Grade Progression was reinforced through calibrated guidelines and structured evaluation frameworks, promoting fairness and consistency in Career Progression.

Collectively, these interventions have elevated the employee experience, improved decision-making at all levels, and built a robust, tech-enabled HR ecosystem that supports development, enhances the candidate journey, and strengthens lifecycle management. The result is a more agile, engaged, and empowered workforce that is well-prepared for the future.

On the work-life front, introduced flexible work hours and enhanced our Work from Home (WFH) guidelines to improve employee wellbeing, productivity, and engagement. These initiatives were complemented by structured flexibility norms, fostering a high-performance, inclusive work environment. Additionally, launched Wellness Leave (Annual Health checkup leave), allowing employees to take proactive step towards their overall well-being by undergoing a comprehensive medical checkup.

To further support our employees' health and wellness, Medical Insurance has been enhanced to focus on Women's Health. This additional benefit covers various aspects, including Cervical Cancer vaccination. A WhatsApp helpline was established to provide quick and convenient assistance for any insurance-related queries or concerns. Moreover, to promote a healthy lifestyle, “Fun-with-Fitness” sessions were organized at multiple locations, encouraging employees to participate in physical activities and maintain their fitness levels.

Regular MD's townhalls were institutionalized as a platform for transparent communication, strategic alignment, and two-way engagement between leadership and employees.

Fostering a Culture of Continuous Learning & Strengthening Leadership:

Continuous reskilling and upskilling were essential to enable our employees to deliver the desired organizational goals.

Training Need Analysis: In our ongoing commitment to fostering a culture of continuous learning and strengthening leadership, we conducted comprehensive training need analysis across the company. This analysis led to the implementation of several key initiatives that have significantly contributed to our organizational growth and employee development.

Induction Program - Prarambh:

One of our major initiatives was the introduction of a holistic 5-day induction program, Prarambh. This program covers essential areas such as policy, product, systems, and skills, and is complemented by a robust and scientific onboarding process. As a result of these efforts, we have successfully reduced attrition by bringing it down from 14% to 6.5%.

Functional Trainers Network: we established a network of 190 functional trainers within the company. Additionally, we launched SkillUp, a digital learning experience platform, which has achieved industry-best adoption and consumption rates of 91% and 82.4%, respectively. This platform has been instrumental in providing our employees with the necessary tools and resources to enhance their skills and knowledge.

Leadership Development Journeys: Developed 6-month leadership journeys for existing and first-time managers. Focused on tracking behavior, productivity, and attrition parameters.

Career Development & Planning (CDCP): Launched the CDCP initiative, resulting in 27% of employees covered were made & certified to be role ready in less than 6 months. Furthermore, Implemented the Young Leaders Development Plan for individual contributors, preparing them for future leadership roles, with 30% participants successfully completing the journey.

To ensure leadership continuity, organizational resilience and tailored development plans of our existing talents, we launched our Succession Planning framework. This proactive approach ensures that we are well-prepared for future transitions and that our

employees are equipped with the skills and knowledge necessary to step into new roles seamlessly.

Talent Identification and Retention: To identify the right talent and prevent early attrition, we conducted interview workshops and assessments for our leaders. These efforts have been pivotal in ensuring that we hire and retain the best talent for our organization.

These initiatives have significantly strengthened our culture of continuous learning and leadership excellence, aligning employee growth with organizational goals and objectives.

Leveraging Technology for HR Innovation & Analytics:

Our AI initiatives have made significant strides across various departments, driving efficiency and innovation.

In HR, the Candidate Employability project has revolutionized our hiring process by leveraging AI for resume parsing, job matching, survivability analysis, and autonomous actions, reducing processing time by over 90% and increasing offer capacity tenfold. We also scaled up our people and partner networks. Hiring velocity grew sharply monthly offers increased from 125 in H1 to over 1,000 by January 2025, using AI and Robotic Process Automation (RPA).

Future phases aim to predict candidate success with zero human intervention, ensuring scalable processes. Additionally, the Employee Conversational Agent- PAI@HR, integrated with MS-Teams, provides real-time query resolution, significantly saving time in HR operations. The conversational agent leverages advanced AI technology to provide instant, accurate responses to a wide range of HR-related queries.

Furthermore, we have partnered with IIT Powai to leverage AI and ML tools to predict a candidate's longevity and performance at PFL, based on our historical, candidate, and employee data. Collectively, these AI projects streamline processes, enhance decision-making, and significantly reduce manual efforts across departments, driving overall organizational efficiency and effectiveness.

In the Admin department, the Agreement Verification project employs AI to meticulously check drafts and hard copies, reducing manual verification time from 2 hours to mere minutes, achieving a 95%-time reduction with zero errors. Our Compliance projects focus on scanning and updating regulatory

requirements, recommending policy modifications, and ensuring real-time compliance, leading to automated and robust compliance testing.

In the Audit department, in collaboration with ServiceNow, enhances our audit capabilities using Generative AI, improving accuracy, reliability, and governance. For Risk & Credit, our AI solution integrates LLM and ML for credit decisioning, boosting credit managers' productivity by 40% and accelerating accurate credit decisions. The Collections project implements an AI-powered debt management platform, enhancing efficiency, reducing 4-5 days of manual effort, and providing 2-3 times sharper risk assessment.

Number of employees employed as on March 31, 2025 stood at 3,594.

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains certain forward-looking statements relating to the Company's future business prospects, strategies, objectives, plans, outlook, and expectations, which

For and on behalf of the Board

Arvind Kapil
Managing Director and
Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: April 25, 2025

are based on current assumptions, forecasts, and estimates. These statements may be identified by words such as "expects", "intends", "aims", "anticipates", "believes", "plans", "projects", "will", "shall", "may", "would", "could", or similar expressions.

Such forward-looking statements are subject to known and unknown risks, uncertainties, and other factors beyond the Company's control that could cause actual results, performance, or achievements to materially differ from those expressed or implied in such statements. These risks and uncertainties include, but are not limited to, changes in regulatory and policy frameworks, economic conditions (domestic and global), fluctuations in interest rates, demand-supply dynamics, taxation policies, changes in consumer behavior, market volatility, technology disruptions, and force majeure events including natural calamities.

The Company does not undertake to publicly revise or update any forward-looking statements considering future events or new information, unless so required under applicable laws.

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: April 25, 2025

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Good corporate governance helps to build an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity, thereby supporting stronger growth.

Effective fundamentals of Company which is 'To be the Most Trusted Financial Services brand' is frequently lauded and followed practice in Poonawalla Fincorp Limited (the 'Company/Poonawalla Fincorp'). The company's Philosophy of Corporate Governance is aimed at transparency in corporate decision-making, value creation, and keeping the interests of all stakeholders protected in the most inclusive way. The principal of shaping up a Sustainable, Predictable and Productive Business has been the foundation of our business and governance practices.

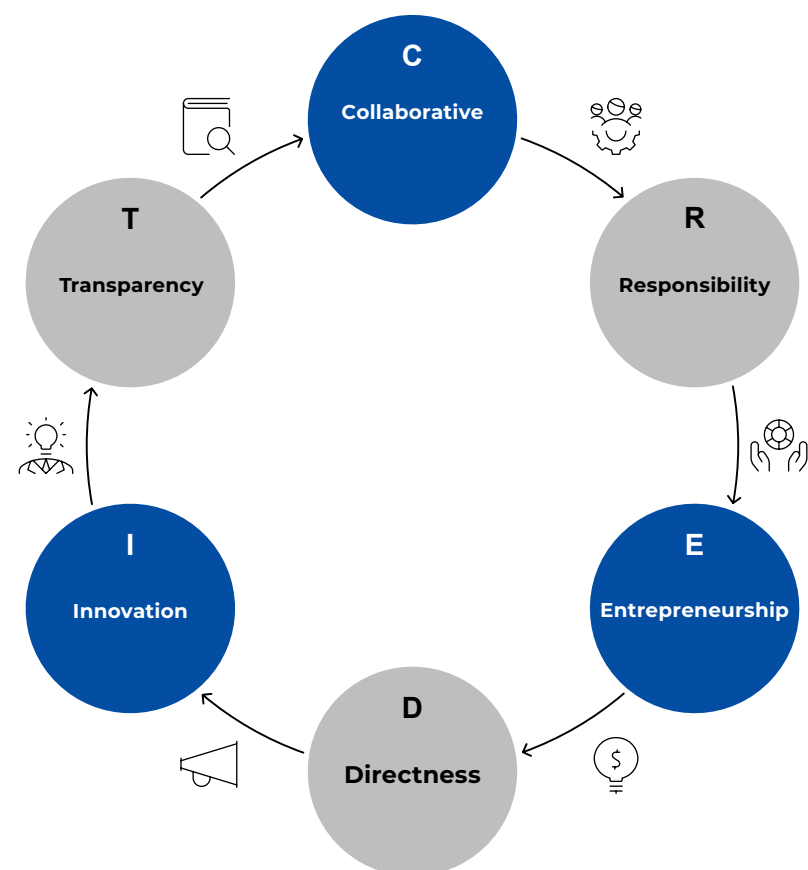
The Company pursues its long-term corporate goals on the bedrock of financial discipline,

high ethical standards, transparency, and trust. Enhancing shareholders' value and protecting the interests of all stakeholders is a tradition at Poonawalla Fincorp. Every effort is made to follow the best practices in all functional areas and in discharging the Company's responsibilities towards all the stakeholders and the community at large. Our actions are governed by our values and principles, which are reinforced at all levels of the organization. These principles have been and will continue to be our guiding force in future. The Corporate Governance Policy adopted by the Board acts as a comprehensive framework within which the Company, Board of Directors, Board Committees may effectively operate for the benefit of its various stakeholders.

The Company is in compliance with the requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with respect to Corporate Governance.

Core Values

C.R.E.D.I.T



We are presenting the report on Corporate Governance as prescribed under above regulations as below.

Board and Committees of Board

Poonawalla Fincorp is professionally managed under the Board's guidance. The responsibilities of the Board and its Members include:

Board

The Board's primary role is to ensure the Company's long-term sustainable success for all stakeholders. The Board is responsible for providing strategic guidance to the business and overall affairs of the Company, ensuring effective monitoring of management, and avoiding potential conflicts of interest. Additionally, the Board is committed to upholding sound principles of Corporate Governance within the Company.

Chairman

The Chairman leads the Board and fosters effective participation from all Executive and Non-Executive Directors during Board meetings. Additionally, the Chairman promotes transparency and encourages debate, which leads to effective decision-making at the Board level.

Independent directors

The Independent Directors provide strategic guidance and expert advice, fostering objective judgment and accountability. They offer constructive feedback, and engage with the Company and its employees.

Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review.

MD & CEO, Senior Management

Senior Management lead by the MD & CEO, is responsible for ensuring delivery of the Company's strategy, business plans and performance.

2. BOARD OF DIRECTORS ('BOARD')

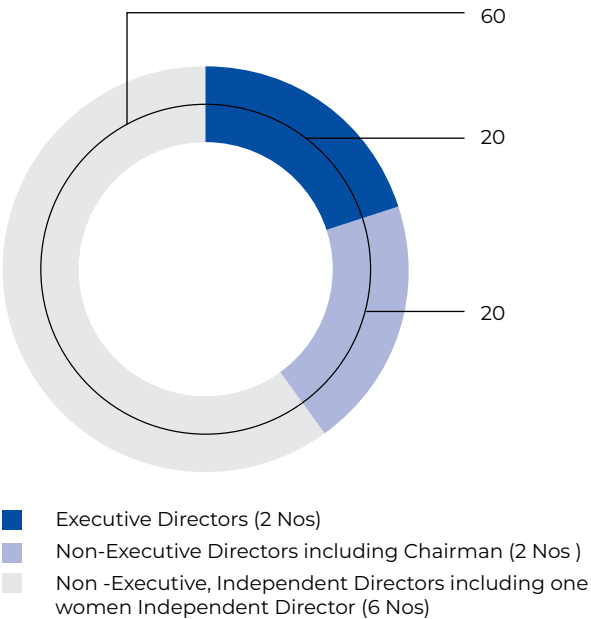
The Board is the focal point and custodian of corporate governance for the Company. The Board consists of eminent person with mix of Executive Directors, Non-Executive Directors and Independent Directors having professional expertise from diverse areas viz., general corporate management, risk management, banking, finance, economics, marketing, digitization, analytics and other allied fields thus meeting the requirements of the Board diversity. The Independent Directors possess experience and expertise in the financial services industry. They provide independent judgement, external perspective and objectivity on the issues which are placed before them. The Board has the requisite expertise across multiple domains aligned to the growth vision of the Company. The Board is responsible for providing strategic guidance to the business and overall affairs of the Company, ensuring effective monitoring of management, and avoiding potential conflicts of interest. The Board has constituted the Board and non - Board Committees to deal with matters as may be prescribed under applicable laws or directed by the Board from time to time.

a. Composition and category of directors:

The Board of your Company comprises of 10 (Ten) directors as on March 31, 2025, and as on date of this Report.

Board Composition:

Board Demographics (%)



The said information as on March 31, 2025, is presented as below:

Sl. No	Name of Director	Designation	Date of Appointment	DIN
1.	Mr. Adar Cyrus Poonawalla	Chairman, Non-Executive Director	01/06/2021	00044815
2.	Mr. Arvind Kapil ¹	Managing Director & Chief Executive Officer	10/06/2024	10429289
3.	Mr. Sunil Samdani	Executive Director	20/10/2023	10301175
4.	Ms. Sonal Modi ²	Non-Executive Director	16/08/2024	03403571
5.	Mr. Bontha Prasada Rao	Non-Executive Independent Director	10/12/2019	01705080
6.	Mr. Prabhakar Dalal	Non-Executive Independent Director	05/05/2021	00544948
7.	Mr. Sanjay Kumar ³	Non- Executive Independent Director	15/01/2022	09466542
8.	Ms. Kemisha Soni	Non-Executive Independent Director	30/01/2024	06805708
9.	Mr. Kewal Handa ⁴	Non-Executive Independent Director	01/10/2024	00056826
10.	Mr. Rajeev Sardana ⁵	Non-Executive Independent Director	18/12/2024	06648276

¹Mr. Arvind Kapil was appointed as a Managing Director & Chief Executive Officer of the Company, for a period of 5 (Five) years effective from June 10, 2024 till June 09, 2029 (both dates inclusive).

²Ms. Sonal Modi was appointed as a Non-Executive Director of the Company, effective from August 16, 2024.

³Mr. Sanjay Kumar was re-appointed as a Non-Executive Independent Director of the Company, for second term of 3 (Three) years effective from January 15, 2025 till January 14, 2028 (both dates inclusive).

⁴Mr. Kewal Handa was appointed as a Non-Executive Independent Director of the Company, for a period of 3 (Three) years effective from October 01, 2024 till September 30, 2027 (both dates inclusive).

⁵Mr. Rajeev Sardana was appointed as a Non-Executive Independent Director of the Company, for a period of 3 (Three) years effective from December 18, 2024 till December 17, 2027.

The Board has a mix of Executive, Non-Executive and Independent Directors. The Chairman is a Non-Executive Director and majority of the Board comprises of Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Companies Act, 2013 ('Act').

In terms of Regulation 17 (1A) of the SEBI Listing Regulations, approval of Shareholders of the Company was taken on November 03, 2024 through special resolution for appointment of Mr. Kewal Handa to be continued as an Independent Director of the Company for the term of 3(Three) years from October 01, 2024 till September 30, 2027, notwithstanding that on August 22, 2027 he attains the age of 75 years during the aforesaid tenure. Apart from the above, there are no directors who have attained the age of 75 years or more and for which approval of Shareholders/Members was required through special resolution.

All the Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI Listing Regulations and RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023 ('RBI Scale Based Regulation'). The Independent Directors have been appointed for a fixed tenure of 3(three) years from their respective dates of appointment/re-appointment.

The profiles of directors can be accessed on the Company's website at <https://poonawallafincorp.com/board-of-directors>

Changes in Board of Directors

Details of change in composition of the Board during the year under review and previous year i.e., for the period from April 01, 2024 to March 31, 2025 is given below:

Sr. No.	Name of director	Capacity	Nature of change	Effective date
1.	Mr. Sajid Fazalbhoy	Non-Executive Director	Cessation	June 01, 2024
2.	Mr. Abhay Bhutada [#]	Managing Director	Early Retirement	June 09, 2024
3.	Mr. Arvind Kapil	Managing Director & CEO	Appointment	June 10, 2024
4.	Mr. Abhay Bhutada [#]	Non-Executive Director	Retirement	August 03, 2024
5.	Mr. Amar Deshpande	Non-Executive Director	Cessation	August 30, 2024
6.	Ms. Sonal Modi	Non-Executive Director	Appointment	August 16, 2024
7.	Mr. Kewal Handa	Non-Executive Independent Director	Appointment	October 01, 2024
8.	Mr. Atul Kumar Gupta [*]	Non-Executive Independent Director	Cessation	December 09, 2024
9.	Mr. Rajeev Sardana	Non-Executive Independent Director	Appointment	December 18, 2024
10.	Mr. Sanjay Kumar	Non-Executive Independent Director	Re-appointment	For a second term of three years w.e.f January 15, 2025 to January 14, 2028. (both days inclusive)

^{*}Atul Kumar Gupta, Independent Director, resigned due to various pre-occupations. The director also confirmed that there are no material reasons for resignation other than those mentioned in his resignation letter. The letter which has been furnished to stock exchanges can be accessed at: <https://poonawallafincorp.com/documents/20121/0/Announcement+under+Regulation+30+of+SEBI+LODR+Regulations%2C+2015+-+Change+in+Directorate+-+10.12.2024.pdf/c21919fe-9aa0-cec9-5520-f980d5aa82b7>

[#] Mr. Abhay Bhutada took early retirement as Managing Director of the Company w.e.f. June 09, 2024 and continued as Non-Executive Director till August 03, 2024.

The Board expresses its heartfelt appreciation for the leadership, guidance, and invaluable contributions made by the Directors during their respective tenures.

Board Confirmation regarding Independence of the Independent Directors:

The Board has received declarations from all the Independent Directors. The Independent Directors have confirmed that they meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, all the Independent Directors, fulfil the conditions specified in SEBI Listing Regulations and are independent of the management.

Further, the Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company and are Independent of the Management.

Necessary disclosures regarding Committee positions in other public companies as on March 31, 2025, have been made by the directors.

b. Number of Board Meetings held and attendance of each director at Board Meeting and last Annual General Meeting (AGM):

The Board of Directors met 10 (Ten) times during the financial year ended March 31, 2025.

The Board Meeting held on April 29, 2024, was convened in physical mode and other Board Meetings were held in video conferencing/other audio-visual mode as allowed under applicable law. The gap between any two meetings did not exceed 120 days. The requisite quorum was present at all meetings.

The attendance of directors in Board Meeting for the FY 2024 – 25 and 44th AGM are tabulated below:

Sr. No.	Name of Director	Attendance of Board Meetings										Meetings held during the year in which Directors were entitled to attend	Attended	% of attendance of a Director	AGM (44 th) 23/07/2024
		08/04/2024	29/04/2024	01/06/2024	20/07/2024	16/08/2024	26/09/2024	01/10/2024	25/10/2024	18/12/2024	31/01/2025				
1.	Mr. Adar Cyrus Poonawalla	◆	√	◆	√	√	√	√	√	√	√	10	8	80	√
2.	Mr. Arvind Kapil	-	-	-	√	√	√	√	√	√	√	7	7	100	√
3.	Mr. Sunil Samdani	√	√	√	√	√	√	√	√	√	√	10	10	100	√
4.	Ms. Sonal Modi	-	-	-	-	-	√	√	√	√	√	5	5	100	-
5.	Mr. Bontha Prasada Rao	√	√	√	√	√	√	√	√	√	√	10	10	100	√
6.	Mr. Prabhakar Dalal	√	√	√	√	√	√	√	√	√	√	10	10	100	√
7.	Mr. Sanjay Kumar	√	√	√	√	√	√	√	√	√	√	10	10	100	√
8.	Ms. Kemisha Soni	√	√	√	√	√	√	√	√	√	√	10	10	100	√
9.	Mr. Kewal Handa	-	-	-	-	-	-	-	√	√	√	3	3	100	-
10.	Mr. Rajeev Sardana	-	-	-	-	-	-	-	-	-	√	1	1	100	-
11.	Mr. Sajid Fazalbhoy	√	◆	-	-	-	-	-	-	-	-	2	1	50	-
12.	Mr. Abhay Bhutada	√	√	√	◆	-	-	-	-	-	-	4	3	75	-
13.	Mr. Amar Deshpande	√	√	√	√	√	-	-	-	-	-	5	5	100	√
14.	Mr. Atul Kumar Gupta	√	√	√	√	√	√	√	√	-	-	8	8	100	√

√ Present, ◆ Absent, - Not Applicable

c. Board Procedure:

Being the apex body constituted by the Shareholders for overseeing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the directors. The Board provides leadership, strategic guidance, an objective and independent view to the Company's Management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner.

Meetings, Agenda and participation thereat:

The Board/Committee meetings are pre-scheduled and a tentative calendar of the Board and Committee meetings is circulated to the directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. The Board Meetings are convened by giving appropriate notice after obtaining approval of the Chairperson and Managing Director of the Company. The Company Secretary, in consultation with Managing Director, Executive Director, Chief Compliance Officer and Chief Financial Officer, prepares the agenda for meetings. Agenda, notes on the agenda and other pre-read materials are circulated among the directors in advance, in a structured format. All the Agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. Additional items on the agenda are permitted with the permission and consent of the Chairperson and the consent of the majority of the directors present at the meeting. The Company also provides video conferencing facilities to facilitate directors travelling or present at other locations, to participate in meetings. Only in case of urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at shorter notice, as permitted under the Act and Secretarial Standards ("SS") issued by the Institute of Company Secretaries of India.

The draft minutes of the meetings of the Board and its Committees are sent to the Board/Committee members for their comments in accordance with the Secretarial Standard on

meetings of the Board of Directors ("SS-1"), issued by the Institute of Company Secretaries of India.

Suggestions, if any, received from the Board/Committee members are suitably incorporated in the draft minutes, in consultation with the Chairman of the Board/Committee. Thereafter, the minutes are entered in the minutes book within the prescribed time limit.

The outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Paperless Board Meetings: The Board/Committee Meetings agenda and notes are hosted on the Digital Meeting, secured web-based portal. The directors receive the agenda notes in electronic form through this portal, which is accessible through iPad/laptop. The application meets high standards of security that are essential for storage and transmission of sensitive information in electronic form.

Post meeting follow-up mechanism:

The Company has an effective post Board/Committee Meeting follow-up procedure. The important decisions taken at Board/Committee meetings are communicated to the concerned departments promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Committees for information and further recommended action(s), if any.

Knowledge sharing: Board members are kept informed about any material development/business update through various modes viz. e-mails, con-call etc. from time to time.

Measures to ensure effective participation by the Directors :

- Pre-scheduled Board/Committee Meetings are circulated in advance.
- At each Board meeting, Chairperson of respective Committees as appropriate briefs the Board on matters discussed by the Committee at their respective meetings.
- For urgent business needs - approval is taken by resolution passed through circulation.
- Agenda is set by the Company Secretary in consultation with Senior Management

- Agenda of Meetings includes detailed notes to enable the directors to take an informed decision.
- Board/Committee agenda includes Action Taken Report comprising actions from previous meetings and status updates thereon.
- Prior approval is obtained for circulating agenda items with shorter notice

The Board is presented with important information on the operations of the Company as well as that which requires deliberation at the highest level. Such Information includes minimum information required to be placed before the Board as per applicable law, inter alia include:

- Annual operating plans of business and budgets and any updates thereof;
- Capital expenditure and updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of meetings of the Committees of the Board of Directors;
- The information on recruitment and remuneration of Senior Management Personnel just below the Board level;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Details of incidence of frauds, and corrective action taken thereon;
- Status of compliance with Act, SEBI Listing Regulations, RBI Regulations and Shareholder related matters;

- Changes in regulatory landscape including impact and Company's preparedness;
- Review of various policies framed by Company from time to time;
- Functioning of customer grievance redressal mechanism;
- Any material default in financial obligations to and by the company;
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders and service such as non-payment of dividend, delay in share transfer (if any), among others.

d. Separate meeting of the Independent Directors:

As stipulated by the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the SEBI Listing Regulations and Code of Independent Directors, a separate meeting of Independent Directors of the Company was held on January 24, 2025, which was chaired by Mr. Prabhakar Dalal, to review the performance of Non-Independent Directors and the Board as a whole after taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to perform and discharge their duties effectively and reasonably.

e. Number of other directorships and Chairmanships/Memberships of Committees of each director in various Companies as on March 31, 2025:

Sr. No.	Name of Director	Category	Materially significant, pecuniary or business relationship with the Company	No. of Directorships in other Companies incorporated in India (*)	Outside Committee Positions Held (**)		Names of the other listed entities where the Director is a Director (including debt listed)
					Chairman	Member	
1.	Mr. Adar Cyrus Poonawalla (DIN: 00044815)	Non-Executive Chairman	Chairman, Promoter	12	Nil	Nil	Nil
2.	Mr. Arvind Kapil (DIN: 10429289)	Executive Director	Managing Director & Chief Executive Officer	Nil	Nil	Nil	Nil
3.	Mr. Sunil Samdani (DIN: 10301175)	Executive Director	Whole-time Director	Nil	Nil	Nil	Nil

Sr. No.	Name of Director	Category	Materially significant, pecuniary or business relationship with the Company	No. of Directorships in other Companies incorporated in India (*)	Outside Committee Positions Held (**)		Names of the other listed entities where the Director is a Director (including debt listed)
					Chairman	Member	
4.	Ms. Sonal Modi (DIN: 03403571)	Non-Executive Director	N.A	Nil	Nil	Nil	Nil
5.	Mr. Bontha Prasada Rao (DIN:01705080)	Non-Executive, Independent Director	N.A	3	Nil	3	1. Havells India Limited 2. Titagarh Rail Systems Limited
6.	Mr. Prabhakar Dalal (DIN: 00544948)	Non-Executive, Independent Director	N.A	2	1	1	1. BDH Industries Limited 2. Carysil Limited
7.	Mr. Sanjay Kumar (DIN: 09466542)	Non-Executive, Independent Director	N.A	Nil	Nil	Nil	Nil
8.	Ms. Kemisha Soni (DIN: 06805708)	Non-Executive, Independent Director	N.A	5	4	1	1. Pitti Engineering Limited 2. Jagran Prakshan Limited
9.	Mr. Kewal Handa (DIN: 00056826)	Non-Executive, Independent Director	N.A	13	4	5	1. Borosil Scientific Limited 2. Akums Drugs and Pharmaceuticals Limited 3. Borosil Limited 4. Heubach Colorants India Limited
10.	Mr. Rajeev Sardana (DIN: 06805708)	Non-Executive, Independent Director	N.A	1	Nil	Nil	Nil

*Excludes directorships in the Company, Foreign Companies and Companies under Section 8 of the Act.

**Includes only Audit Committee and Stakeholders' Relationship Committee in all Indian public limited companies as per Regulation 26 of SEBI Listing Regulations and the memberships also includes chairmanship in those committees, if any.

None of the Independent Directors of the Company served as an Independent Director in more than 7 (Seven) listed companies. None of the Independent Director serving as a Whole-Time Director/Managing Director in any listed entity serves as an Independent Director of more than 3 (Three) listed entities. None of the directors hold directorship in more than 20 (Twenty) Indian companies, with not more than 10 (Ten) public limited companies.

None of the directors is a member of more than 10 (Ten) Committees or acts as chairperson of more than 5 (Five) Committees (being Audit Committee and Stakeholders Relationship Committee), as per Regulation 26(1) of the SEBI Listing Regulations across all the public limited

companies in which he/she is a director. The necessary disclosures regarding Committee positions have been made by the directors. None of the Independent Directors of the Company are on the Board of any other Company as Non-Independent Director where the Non-Independent Director of the Company is an Independent Director. Further, there are no inter-se relationships between our Board Members.

The Independent Directors also confirmed that they are not on the Board of more than 3 (Three) NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Scale Based Regulation.

Pursuant to RBI Scale Based Regulation, Key Managerial Personnel does not hold any office

(including directorships) in any other NBFC-ML or NBFC-UL.

- f. None of the Directors of the Company is having shareholding including convertible debentures as on March 31, 2025, in the Company.

g. Familiarization programme:

Pursuant to the provisions of the Act and Regulation 25(7) of the SEBI Listing Regulations, the Company has in place a mechanism to familiarize its Independent Directors about the Company, its products, the industry and business structure of the Company and its subsidiary.

All Board members of the Company are accorded every opportunity to familiarize themselves with the Company, its management, its operations, the industry perspective and issues. They are made to interact with senior management personnel and proactively provided with relevant news, views and updates on the Company and sector. All the information/documents sought by them are also shared with them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

During the Financial Year 2024-25, the Independent Directors were updated from time to time on continuous basis on the significant changes in the regulations applicable to the Non-Banking Financial Companies ("NBFC") in general and the Company in particular by circulating and deliberating and discussing during the various Board and Committee Meetings of the Board, the new regulations, circulars, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs and Stock Exchanges etc, presentation on key highlights of SEBI Regulations and RBI Directions and Circulars, circulating business updates, disclosures made to the Stock Exchanges etc. Apart from aforesaid updates, presentations were regularly made at the meeting of the Board of Directors and other Committees constituted by the Board, where the Board members interact with the Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP") on risk management, company's policies, compliances etc. The Managing Director, Executive Director, KMP, SMP and company officials gave a detailed quarterly presentation on review of operations, business performance and strategy, financial outlook, financial reports etc. of the Company, peer comparison and overall industry scenario.

Familiarisation Programmes were held on April 19, 2024, July 20, 2024, October 23, 2024 and January 31, 2025 which were part of the Committee/Board meetings scheduled for the FY 2024-25 and was attended by the Directors of the Company including the Independent Directors of the Company for a cumulative duration of ~1 hour.

Furthermore, Program for Non-Executive Directors on the Boards of Banks, Financial Institutions and NBFC was organized by the Centre for Advanced Financial Research and Learning ("CAFRAL"). Topics were covered such as Corporate Governance & Ethical Practices, Board Vs Management, an Overview of Risk Management, Raising of Capital for Banks/ NBFCs, Capital Market Regulations: Board Perspective, Governance Challenges in Use of Advanced Technologies in Financial Intermediation, Impact of Climate Change on Financial Intermediaries' Business, Cyber Security in Financial Intermediaries, Key Committees of the Board & their Effectiveness, Cyber Security: Regulatory perspective, New age tools to combat cyber security threats, Discussion and learning from recent cyber incidents, Need for cyber risk management, Digital Forensic Audit, Role and Responsibilities of Directors – Expectations of the regulator, Issues and challenges of Directors – Mitigating challenges efficiently, Role of Directors on various committees – Asking the right question, Developing an effective operational risk framework for stronger internal controls. etc. in addition, awareness session was conducted by external consultant covering following topics -

- Evolving global Corporate Governance landscape and related challenges
- Board Committees and Culture
- Code of Conduct and Vigil mechanism
- Prevention of sexual harassment (POSH)
- Prevention of Insider Trading
- Data privacy/Data leakage Prevention/ Cyber security

The details of such Familiarization Programmes for directors may be referred to, at the website of the Company at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Draft-Familiarization-program-FY24-25-upload-version.pdf/4e4f7bb0-a682-9f19-7655-a9643e22b4b2>

h. Skills/Expertise/Competence of the Board of Directors:

List of core skills/expertise/competencies required by the Board (as identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the current Board are as follows:-

Sr No.	Name of Director	Expertise	Understanding of Business/ industry	Financial understanding	Strategy and strategic planning	Critical and innovative thoughts, and Risk Compliance oversight	Market understanding
1.	Mr. Adar Poonawalla	- Visionary direction and long-term purpose to the Company's inclusive growth agenda - Corporate leadership and governance	√	√	√	√	√
2.	Mr. Arvind Kapil	- Retail and wholesale banking - Digital financial solutions - Institutional and retail credit strategy - Financial services distribution, - Mergers, acquisitions and strategic alliances - Corporate governance and strategic leadership	√	√	√	√	√
3.	Mr. Sunil Samdani	- Financial strategy - Institutional and investor relations - Corporate governance and strategic leadership	√	√	√	√	√
4.	Ms. Sonal Modi	- Retail lending in areas of credit underwriting, - Business development, - market expansion and outreach, - Expanding branch network, management of sales channels, Cross-selling	√	√	√	√	√
5.	Mr. Prabhakar Dalal	- Retail and wholesale banking - International trade and project financing - Institutional and international relations - Stressed assets management resource management - Expert of corporate and securities law and corporate governance	√	√	√	√	√



Sr No.	Name of Director	Expertise	Understanding of Business/ industry	Financial understanding	Strategy and strategic planning	Critical and innovative thoughts, and Risk Compliance oversight	Market understanding
6.	Mr. Bontha Prasad Rao	- Strategic and operational area - Industrial engineering and manufacturing - Public sector enterprise leadership	√	√	√	√	√
7.	Mr. Sanjay Kumar	- Branch Banking - Credit Administration - Economic research and intelligence - AML and regulatory Compliances - Dealing with RBI, and overseas Regulators - Anti-Money Laundering Specialist	√	√	√	√	√
8.	Ms. Kemisha Soni	- Accounting, - Audit and Taxation including Forensic Audit, Risk Management Audit - Corporate Laws - CSR consultancy	√	√	√	√	√
9.	Mr. Kewal Handa	- Finance, Banking - Commercial, Strategy - Business Development, Merger & Acquisition, Corporate Affairs	√	√	√	√	√
10.	Mr. Rajeev Sardana	- Finance, accountancy, audit - Consumer behavior, Sales & marketing - Risk management, - Legal compliance and strategic thinking	√	√	√	√	√

i. Board Diversity

The Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are people of eminence in the areas of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, CSR, etc. and bring with them experience/ skills which add value to the performance of the Board.

j. Selection of New director and Board Membership Criteria:

The Nomination and Remuneration Committee works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse background and experiences in business.

The Policy also sets out the guiding principles for the compensation to be paid to the directors, Key Managerial Personnel ('KMP') and Senior Management Personnel ('SMP') and undertakes effective implementation of board familiarization, diversity, evaluation and succession planning for cohesive leadership management.

The potential Independent Director is also assessed on the basis of independence criteria defined in Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations. If the Board approves, the person will be appointed as an Additional Director whose appointment is subject to the approval of the Shareholders at the Company's General Meeting.

The Policy for appointment and removal of directors and determining directors' independence forms part of the Remuneration Policy of the Company and is available on our website i.e. https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No_8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056

k. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Executive Management of the Company including a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors

of the Company. All the Board Members and Senior Management have confirmed compliance with the code. A declaration by Managing Director and Chief Executive Officer affirming the compliance with the code is annexed at the end of this Report as Annexure-A. The said Code may be referred to, at the website of the Company i.e., <https://poonawallafincorp.com/documents/20121/0/PFL-Code-for-Independent-Directors+%281%29.pdf/48a9177a-6246-67db-531a-386390443243>

Code of Business Ethics may be referred to at <https://poonawallafincorp.com/documents/20121/0/PFL-Code-of-Business-Ethics.pdf/1284f145-ff1d-5a6f-7608-cb4bccaf2f50>

Further, pursuant to SEBI Listing Regulations, all members of Senior Management of the Company have affirmed that they have not entered into any material, financial and commercial transactions during the year in which they had personal interest, that may have potential conflict of interest with the Company.

l. Directors and Officers liability insurance ("D&O policy"):

The Company has in place a D&O policy which is renewed every year. It covers directors (including Independent Directors) of the Company.

m. Certificate on qualification of directors:

A certificate from a Company Secretary in practice pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the SEBI Listing Regulations certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any such Statutory Authority is provided as Annexure B to this report.

n. Formal letter of appointment to Independent Directors:

A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities is issued to the Independent Directors at the time of their appointment. The main terms of appointment can be accessed on our website at the web-link: <https://poonawallafincorp.com/documents/20121/0/Draft-Appointment-Letter-Independent-Director+%282%29.pdf/0bc3babb-3868-77af-465b-efcdfe13cb60>

o. Maximum tenure of Independent Directors:

Independent Directors shall hold office for a term of up to 3 (Three) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s Report. The tenure of the Independent Directors is in accordance with the provisions of the Act.

3. BOARD COMMITTEES:

The Board Committee(s) are essential for effective corporate governance, providing focused oversight and specialized expertise in key areas. They enhance the Board’s efficiency by allowing focused discussions and in-depth analysis on specific topics, such as finance, audit, governance, and risk management. This division of responsibilities ensures thorough oversight, informed decision-making, and strategic focus, ultimately strengthening Company’s overall Governance Framework. The Committees may have special invitees join the meeting when necessary. All decisions and recommendations

of the Committees are placed before the Board for information or for approval, as required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. Ms. Shabnum Zaman, the Company Secretary and Compliance Officer acts as the Secretary to Committees. As on March 31, 2025, the Company has 10 (Ten) Committees of the Board: -

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee;
6. Asset Liability Management Committee;
7. IT Strategy Committee;
8. Customer Service Committee
9. Review Committee; and
10. Management Committee

3.1 AUDIT COMMITTEE:

a. Key Terms of reference:

Particulars	Frequency of Reviews
Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;	Annually
Recommendation for appointments, replacement or removal, remuneration and terms of appointment of auditors of the company;	Event based
To approve rendering of services by the statutory auditor other than those expressly barred under section 144 of the Act and remuneration for the same;	Event based
Review and examination, with the management, the annual financial statements and auditor’s report thereon with other incidental matters;	Annually
Changes, if any, in accounting policies and practices and reasons for the same;	
Compliance with listing and other legal requirements relating to financial statements;	
Disclosure of any related party transactions;	Quarterly/Half- yearly/ Annually
Modified opinion(s) in the draft audit report;	
Review and examination, with the management, the quarterly financial statements;	Event based
Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.),	Event based
Review quarterly statement of deviation(s) including report of monitoring agency, if applicable and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice;	Quarterly/Half- yearly/ Annually
Reviewing and monitoring independence and performance of statutory and internal auditors, effectiveness of audit process and adequacy of the internal control systems;	Event based
Approve the appointment, removal and terms of remuneration of Chief Internal Auditor and reviewing the adequacy of internal audit function including the structure of the internal audit department;	Quarterly/Half- yearly/ Annually
Discussion with Internal Auditors and the Management of any significant findings, status of previous audit recommendations and follow up there on;	

Particulars	Frequency of Reviews
Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;	Quarterly/Half- yearly/ Annually
Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;	Annually
To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;	Event based
To review the functioning of the Whistle Blower/vigil mechanism;	Annually
Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;	Annually
Review Management discussion and analysis of financial condition and results of operations;	Annually
Review Management letters/letters of internal control weakness issued by the Statutory Auditors;	Event based
Carry out such other business as may be required by applicable law or considered appropriate in view of the general terms of reference and the purpose of the Audit committee;	Quarterly/Half yearly/ Annually/Event based
Approve and review related party transactions of the Company in accordance with the Related Party Transactions Policy of the Company;	Annually
Grant omnibus approval for entering into related party transactions in accordance with applicable laws and as per the policy adopted by the Board;	Quarterly/Half- yearly/ Annually
Scrutiny of inter-corporate loans and investments;	Event based
Valuation of undertakings or assets of the company, wherever it is necessary;	Annually
Evaluation of internal financial controls and risk management systems;	Annually
Comply with the going concern assumptions;	Annually
Compliance with accounting standards;	Quarterly/Half- yearly/ Annually
The statement indicating deviation/variation report with respect to utilization of issue proceeds of listed non-convertible securities shall be placed before the Audit Committee of the listed entity for review on quarterly basis;	Annually
The Committee shall review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;	Annually
To ensure information system audit of the internal systems and processes are conducted every year to assess operational risk faced by the NBFCs;	Annually/Event based
Ageing analysis of entries pending reconciliation with outsourced vendors shall be placed before the Committee;	Annually/Event based
Monitor system of internal audit of all outsourced activities;	Event based
Any adjustments to the Expected Credit Loss model output (i.e. a management overlay) should be approved by the Audit Committee and its rationale and basis should be clearly documented;	Event based
Review and advise on Show Cause Notices (SCN) and advisory penalty issued by regulators;	Quarterly
Review the Compliance Risk Assessment/Testing report relating to regulatory compliance gap;	Annually
Review, approve and monitor the code of ethics of the Company for senior management/ Directors.	

b. Composition:

The Audit Committee comprises of 1 (One) Non-Executive Director and 4 (Four) Non-Executive, Independent Directors. The composition of the Audit Committee as on March 31, 2025 is as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Kewal Handa	Chairman	Non-Executive, Independent
2.	Ms. Sonal Modi	Member	Non-Executive
3.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent
4.	Mr. Sanjay Kumar	Member	Non-Executive, Independent
5.	Ms. Kemisha Soni	Member	Non-Executive, Independent

All members are financially literate and bring in expertise in the fields of finance, accounting, development and strategy.

Mr. Atul Kumar Gupta, former Chairman of the Committee, was present at the Annual General Meeting of the Company held on July 23, 2024.

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of Members	Attendance of Audit Committee Members					
		29/04/2024	01/06/2024	20/07/2024	16/08/2024	25/10/2024	31/01/2025
1.	Mr. Kewal Handa ¹	-	-	-	-	√	√
2.	Ms. Sonal Modi ²	-	-	-	-	√	√
3.	Mr. Prabhakar Dalal	√	√	√	√	√	√
4.	Mr. Sanjay Kumar	√	√	√	√	√	√
5.	Ms. Kemisha Soni ³	-	-	-	-	-	√
6.	Mr. Amar Deshpande ⁴	√	√	√	√	-	-
7.	Mr. Atul Kumar Gupta ⁵	√	√	√	√	√	-

√ Present, ♦ Absent, - Not Applicable

¹Appointed as a member w.e.f. October 01, 2024 and as a chairman w.e.f. November 25, 2024.

²Appointed as a member w.e.f. September 10, 2024.

³Appointed as a member w.e.f. December 18, 2024.

⁴Ceased to be a member w.e.f. August 30, 2024.

⁵Ceased to be a chairman w.e.f. November 25, 2024 and ceased to be a member w.e.f. December 09, 2024.

The Chief Financial Officer assists the Committee in the discharge of its responsibilities. The Committee invites such employees or advisors as it considers appropriate to attend. The Chief Financial Officer, Chief Internal Auditor and Statutory Auditors are generally invited to attend meetings unless the Committee considers otherwise.

Separate meetings were held with the Chief Internal Auditor & Chief Compliance Officer to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company.

The members of the Audit Committee meet the Statutory Auditors & Secretarial Auditors of the Company independently at least once a year.

All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

3.2 NOMINATION AND REMUNERATION COMMITTEE:

Key Terms of reference:

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Act, SEBI Listing Regulations and RBI Scale Based Regulation. The terms of reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Formulate criteria and carry out evaluation of performance of all the directors of the Company;	Annually
Review overall compensation philosophy and framework of the Company;	Annually
Review outcome of the annual performance appraisal of the employees of the Company;	Annually
Conduct annual review of the Committee's performance and effectiveness at the Board level;	Annually
Examine and ensure 'fit and proper' status of the directors of the Company;	Annually
The Committee shall ensure that there is no conflict of interest including that of Independent Directors being on the Board of another NBFC at the same time;	Event based
To work in close coordination with Risk Management Committee (RMC) of the Company to achieve effective alignment between compensation and risk;	Annually/Event Based
To ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP);	Annually
To formulate criteria for: - determining qualifications, positive attributes and independence of director; - evaluation of independent directors and the Board;	Event based
Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: - Use the services of external agencies, if required; - Consider candidate from wide range of backgrounds, having due regard to diversity; and - Consider the time commitments of the candidate.	Event based
Stock options: Approve grant and allotment of shares to the eligible employees of the Company and its subsidiaries under the shareholders approved stock option Schemes and authorize any official of the Company to offer ESOPs and RSO to the new joiners in the Company in accordance with the authority matrix approved by the Committee from time to time;	Event based
Approval of the annual compensation revision cycle of the employees of the Company;	Annually
Devising a policy on Board diversity and recommending the size and an optimum mix of promoter directors, executive, independent and non-independent directors keeping in mind the needs of the Company;	Event based
To devise a Policy on remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of Directors of the Company;	Event based
Recommend & Review succession plans for all Key Managerial Personnel and Senior Managerial Personnel.	Event based

b. Composition:

The Nomination and Remuneration Committee comprises of 1 (One) Non-Executive Director and 3(Three) Non-Executive, Independent Directors. The composition of the Nomination and Remuneration Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Prabhakar Dalal	Chairman	Non-Executive, Independent
2.	Ms. Sonal Modi	Member	Non-Executive
3.	Mr. Kewal Handa	Member	Non-Executive, Independent
4.	Mr. Rajeev Sardana	Member	Non-Executive, Independent

Mr. Prabhakar Dalal, Chairman of the Committee, attended the last Annual General Meeting held on July 23, 2024.

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of Members	Attendance of Nomination and Remuneration Committee Members											
		08/04/2024	26/04/2024	01/06/2024	14/06/2024	27/06/2024	20/07/2024	16/08/2024	10/09/2024	01/10/2024	24/10/2024	18/12/2024	30/01/2025
1.	Mr. Prabhakar Dalal	√	√	√	√	√	√	√	√	√	√	√	√
2.	Ms. Sonal Modi ¹	-	-	-	-	-	-	-	√	√	√	√	√
3.	Mr. Kewal Handa ²	-	-	-	-	-	-	-	-	-	-	√	√
4.	Ms. Kemisha Soni ³	-	-	-	-	-	-	-	√	√	√	√	-
5.	Mr. Rajeev Sardana ⁴	-	-	-	-	-	-	-	-	-	-	-	√
6.	Mr. Amar Deshpande ⁵	√	√	√	√	√	√	√	-	-	-	-	-
7.	Mr. Abhay Bhutada ⁶	-	-	-	-	-	-	-	-	-	-	-	-
8.	Mr. Atul Kumar Gupta ⁷	√	√	√	√	√	√	√	√	√	√	-	-

√ Present, ♦ Absent, - Not Applicable

¹Appointed as a member w.e.f. August 16, 2024.

²Appointed as a member w.e.f. November 25, 2024.

³Appointed as a member w.e.f. August 16, 2024 and Ceased to be a member w.e.f December 18, 2024.

⁴Appointed as a member w.e.f December 19, 2024.

⁵Ceased to be a member w.e.f August 16, 2024.

⁶Ceased to be a member w.e.f June 13, 2024

⁷Ceased to be a member w.e.f November 25, 2024.

d. Evaluation Process:

Performance Evaluation of the Board of Directors:

- Pursuant to the provisions of the Act and Regulation 17(10) of SEBI Listing Regulations, the Company has adopted the Remuneration Policy with the comprehensive procedure on performance evaluation. The Board has carried out the annual evaluation of its own performance, Board Committees, individual directors and the Chairperson. Also, the Nomination and Remuneration Committee has carried out evaluation of every director's performance and reviewed the self-evaluation submitted by the respective directors. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated.
- The detailed process of Performance Evaluation is given in the Board's Report. Separate Independent Directors Meeting was held on January 24, 2025. The said meeting was attended by all the Independent Directors.
- The appraisal of the Board, as a collective body and the directors, individually, shall be based on pre-identified and agreed parameters.
- Such performance evaluation shall be undertaken at a reasonably regular interval – usually once in every financial year using questionnaire. The questionnaire will usually be circulated to the members of the Board of the Company in the first quarter of every calendar year (corresponding to the last quarter of every financial year) and the directors are encouraged to submit their comments within a month of receiving the questionnaire.

- Chairman of the Nomination and Remuneration Committee may conduct a one-to-one session with each director to understand their point of view on the parameters for performance evaluation each such director would be subjected to.
- Performance parameters for the Board may consist of parameters for evaluation of Board as a collective body, evaluation of Committees of Board, self-evaluation, evaluation of each director individually and that of the Chairman.
- Independent Directors shall hold at least one meeting every financial year without the participation of other Non-Independent Directors and/or members of management, to undertake the following agenda at the minimum:
 - Review of performance of Non-Independent Directors and the Board as a whole;
 - Review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
 - Assess the quality, quantity and timeliness of flow of information between the company's management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation of performance of Board, as a collective body, shall be done by the Independent Directors at an exclusive meeting of Independent Directors (as stated hereinbefore), apart from evaluation of performance of individual director.

3.3 STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. Key Terms of reference:

The terms of reference of the Stakeholder Relationship Committee are in accordance with the provisions of Act and SEBI Listing Regulations, including any amendments thereto. The terms of the reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Redress and resolve the grievances of the security holders of the listed entity;	Quarterly/Half-yearly/Annually/Event based
Review of measures taken for effective exercise of voting rights by shareholders;	Annually/Event based
Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;	Annually
Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends;	Quarterly/Half yearly/Annually/Event based
Review the internal audit report submitted by Registrar and Transfer Agent (RTA) of the Company;	Annually
Effect dematerialization and rematerialisation of shares of the Company.	Quarterly/Half yearly/Annually/Event based

b. Composition:

The Stakeholders Relationship Committee comprises of 1 (One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The Composition of the Stakeholder Relationship Committee is as on March 31, 2025:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Prabhakar Dalal	Chairman	Non-Executive, Independent
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

Mr. Prabhakar Dalal, Chairman of the Committee, attended the last Annual General Meeting of the Company held on July 23, 2024.

c. Meetings and attendance during the FY 2024 - 25:

Sr. No.	Name of Members	Attendance of Stakeholder Relationship Committee Members			
		26/04/2024	19/07/2024	24/10/2024	30/01/2025
1.	Mr. Prabhakar Dalal	√	√	√	√
2.	Mr. Sunil Samdani	√	√	√	√
3.	Ms. Sonal Modi ¹	-	-	√	√
4.	Mr. Sanjay Kumar	√	√	√	√
5.	Mr. Abhay Bhutada ²	√	-	-	-
6.	Mr. Sajid Fazalbhoi ³	√	-	-	-
7.	Mr. Amar Deshpande ⁴	-	√	-	-

√ Present, ♦ Absent, - Not Applicable

¹Appointed as a member w.e.f. August 16, 2024.

²Ceased as a member w.e.f June 13, 2024.

³Ceased be member w.e.f. June 01, 2024.

⁴Appointed as a member w.e.f. June 13, 2024 and Ceased as a member w.e.f. August 30, 2024.

d. Registrar and Share Transfer Agent Information:

MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) is the Registrar and Share Transfer Agent (RTA) both for physical as well as electronic mode for securities (Equity and Pvt Placed Debentures). KFin Technologies Limited continues to act as Registrar and Transfer Agent (RTA) for the retail debentures.

e. Compliance Officer:

Ms. Shabnum Zaman, Company Secretary, acts as the Compliance Officer and the Board has appointed Ms. Shabnum Zaman as the Nodal Officer for the purpose of IEPF Rules, the details of which is available at the weblink: <https://poonawallafincorp.com/investor-info.php>

f. Shareholder's/Debenture holder's complaint status:

The table below gives the number of complaints received and resolved during the financial year ended March 31, 2025:

Sr.No.	Nature of Security	No. of complaints received during the year	No. of complaints not resolved to the satisfaction of the shareholders/debenture holders during the year	No. of complaints resolved to the satisfaction of the shareholders/debenture holders during the year	No. of complaints pending as on March 31, 2025*
1.	Equity Shares	8	0	7	1
2.	Non-Convertible Debentures	2	0	1	1

* Action Taken Report for the 2 complaints were submitted on SEBI Scores. The same is pending with SEBI for closure as on the date of this Report.

3.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

a. Key Terms of reference:

The terms of reference of the Corporate Social Responsibility Committee are in accordance with the provisions of Section 135 of the Act. The terms of the reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Frame the Corporate Social Responsibility Policy;	Annually
To formulate, approve and recommend to the Board annual action plan, and any modifications thereof, including following information: - the list of CSR Programmes that are approved to be undertaken in areas or subjects specified in Act, - the manner of execution of such projects or programmes; - the modalities of utilisation of funds and implementation schedules for the projects or programmes; - monitoring and reporting mechanism for the projects or programmes; and - details of need and impact assessment, if any, for the projects undertaken by the Company;	Annually or as and when required
Approve specific projects, either new or ongoing, in pursuance of the focus areas outlined in this Policy, either for undertaking such projects by the Company itself, directly or through its implementation agency, for inclusion in the annual action plan;	Annually or as and when required
Recommend to the Board the amount of CSR to be spent in the activities to be undertaken for approval of the annual CSR Budget and the amount to be transferred in case of ongoing projects and unspent amounts;	Annually
Monitor the CSR Policy and closely monitor the spending on a 'project basis' regularly;	Annually
Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer;	Annually
The Committee may also recommend to the Board, after providing reasonable justification, that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project.	As and when required

b. Composition:

The CSR Committee comprises of 1(One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The composition of the CSR Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Ms. Kemisha Soni	Chairperson	Non-Executive, Independent
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent

c. Meeting and attendance:

Sr. No.	Name of the Members	Attendance of Corporate Social Responsibility Committee Members held on 21/05/2024
1.	Ms. Kemisha Soni ¹	√
2.	Mr. Sunil Samdani	√
3.	Ms. Sonal Modi ²	-
4.	Mr. Prabhakar Dalal	√
5.	Mr. Abhay Bhutada ³	√
6.	Mr. Amar Deshpande ⁴	√

√ Present, ♦ Absent, - Not Applicable

¹Appointed as a Chairperson w.e.f. June 10, 2024.

²Appointed as a member w.e.f. August 16, 2024.

³Ceased to be Chairman w.e.f. June 01, 2024 and ceased to be a member w.e.f. June 13, 2024.

⁴Ceased to be a member w.e.f. August 30, 2024.

3.5 RISK MANAGEMENT COMMITTEE:

a. Key Terms of reference:

The terms of reference of the Risk Management Committee are in accordance with the provisions of SEBI Listing Regulations and RBI Scale Based Regulation. The terms of reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Setting/reviewing policies and guidelines for risk identification, measurement, management, monitoring and reporting;	Annual
Ensuring that risk management processes (including people, systems, operations, limits, controls and governance) satisfy the company's policy and compliance with regulatory guidelines;	Quarterly
Reviewing and approving risk limits, strategies and risk appetite;	Annual
Ensuring robustness of financial or scoring models, and the effectiveness of all systems used to calculate Pillar 1 and Pillar 2 risks;	Annual
Recommend to the Board for its approval/review, risk related policies, strategy and risk appetite;	Annual/Event Based
Review any major development, internal and external, and their impact on the portfolio and as a whole on the company;	Quarterly/Event based
Ensuring compliance with applicable regulatory requirements methodology, systems and data;	Quarterly
Review of non-compliance w.r.t. internal process and regulatory guidelines, limit breaches, audit/regulatory findings, indicators, and policy exceptions with respect to Pillar 1 and Pillar 2 risks;	Quarterly/Event Based
Reviewing the results of and progress in implementation of the decisions made in previous meetings;	Quarterly
Administering the material outsourcing and adherence thereof with the outsourcing policy and seek reports on the implementation or exceptions to the same;	Annual
Laying down appropriate approval authorities and limits for outsourcing depending on risks and materiality;	Annual
To review outsourcing strategies and arrangements for their continued relevance, central record of all material outsourcing activities and review/assessment reports of such activities on half yearly basis and safety and soundness and identify new material outsourcing risks as they arise;	Annual
To review and measure risks emanating from Information Technology and cyber threats, due to increased adoption of technology and digitization;	Annual/Event Based

Terms of Reference	Calendar of Reviews (Frequency)
The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC;	Event Based
The RMC shall meet the Chief Risk Officer without the presence of the Managing Director at least on a quarterly basis;	Quarterly
Approve exceptions/deviations from Risk Management Policy;	Event Based
To review the outcome of the risk assessment exercise carried out by the risk management team for Money Laundering and Terrorist Financing in terms of RBI KYC Directions, 2016;	Annual
To work in close coordination with Nomination and Remuneration Committee of the Company to achieve effective alignment between compensation and risks;	Annual
To approve/review risk based pricing framework used for pricing of loan products.	Event based

b. Composition:

The Risk Management Committee comprises of 2 (Two) Executive Directors, 1(One) Non-Executive Director and Three (3) Non-Executive, Independent Directors. The composition of the Risk Management Committee as on March 31, 2025 was as below:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Bontha Prasada Rao	Chairman	Non-Executive, Independent
2.	Mr. Arvind Kapil	Member	Executive
3.	Mr. Sunil Samdani	Member	Executive
4.	Ms. Sonal Modi	Member	Non-Executive
5.	Mr. Sanjay Kumar	Member	Non-Executive, Independent
6.	Mr. Rajeev Sardana	Member	Non-Executive, Independent

c. Meetings and attendance during FY 2024-25:

Sr. No.	Name of the Members	Attendance of Risk Management Committee Members				
		26/04/2024	19/07/2024	20/07/2024	24/10/2024	30/01/2025
1.	Mr. Bontha Prasada Rao	√	√	√	√	√
2.	Mr. Arvind Kapil ¹	-	√	√	√	√
3.	Mr. Sunil Samdani	√	√	√	√	√
4.	Ms. Sonal Modi ²	-	-	-	√	√
5.	Mr. Sanjay Kumar	√	√	√	√	√
6.	Mr. Rajeev Sardana ³	-	-	-	-	√
7.	Mr. Abhay Bhutada ⁴	√	-	-	-	-
8.	Mr. Amar Deshpande ⁵	√	√	√	-	-

√ Present, ♦ Absent, - Not Applicable

¹Appointed as the member w.e.f. June 10, 2024.

²Appointed as a member w.e.f. August 16, 2024.

³Appointed as a member w.e.f. December 18, 2024.

⁴Ceased to be member w.e.f. June 09, 2024.

⁵Ceased to be member w.e.f. August 30, 2024.

3.6 ASSET LIABILITY MANAGEMENT COMMITTEE:

a. Terms of reference:

The terms of reference of the Asset Liability Management Committee is in accordance with the RBI Scale Based Regulation. The terms of reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Liquidity risk management through Asset Liability Mismatches across various time buckets, regulatory compliance and strategize action to mitigate the risk associated;	Annually or as and when required
Management of interest rate risks through articulation on current interest rate view & its future direction;	Annually or as and when required
Funding and capital planning – source & mix of liabilities;	Annually or as and when required
Forecasting and analysing 'What if scenario' and preparation of contingency plans through review of treasury strategy at regular interval;	Annually or as and when required
Regulatory updates and its impact;	Annually or as and when required
Cost of borrowings;	Annually or as and when required
Review of Internal Capital Adequacy assessment.	Annually or as and when required

b. Composition:

The Asset Liability Management Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The composition of the Asset Liability Management Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Bontha Prasada Rao	Member	Non-Executive, Independent
5.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of the Members	Attendance of Asset Liability Management Committee Members			
		26/04/2024	19/07/2024	24/10/2024	30/01/2024
1.	Mr. Arvind Kapil ¹	-	√	√	√
2.	Mr. Sunil Samdani	√	√	√	√
3.	Ms. Sonal Modi ²	-	-	√	√
4.	Mr. Bontha Prasada Rao	√	√	√	√
5.	Mr. Sanjay Kumar	√	√	√	√
6.	Mr. Abhay Bhutada ³	√	-	-	-
7.	Mr. Amar Deshpande ⁴	√	√	-	-

√ Present, ♦ Absent, - Not Applicable

¹Appointed as a chairman w.e.f. June 10, 2024.

²Appointed as a member w.e.f. August 16, 2024.

³Ceased to be a chairman w.e.f. June 09, 2024.

⁴Ceased to be a member w.e.f. August 30, 2024.

3.7 IT STRATEGY COMMITTEE:

a. Terms of Reference:

The terms of reference of the IT Strategy Committee is in accordance with the RBI Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices ("ITGRCA Directions"). The terms of reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Ensure that the Company has put an effective IT strategic planning process in place and approving the IT Strategy and Policy documents thereof;	Quarterly
Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives;	Quarterly
Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;	Quarterly
Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;	Quarterly
Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;	Yearly
Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company;	Yearly
Ensuring the IT Risk Assessment exercise is executed fully at least on a yearly basis. Specific responsibilities include the following activities;	Yearly
- Review & Approve the IT Risk Register annually. - Guide management on how to prioritize IT Risks. - Review & Approve the Risk mitigation plans provided by IT	
Monitor enterprise risks assigned to the Committee by the Board under the Company's Enterprise Risk Management program and report thereon to the Audit Committee of the Board;	Quarterly
Review the Information System (IS) audit report and further present to the Board or the Audit Committee, as may be decided, the IS Audit report with their comments thereon. The periodicity of IS audit should be at least once in a year; IS Audit should be undertaken preferably prior to the statutory audit so that IS audit reports are available to the statutory auditors well in time for examination and for incorporating comments, if any, in the audit reports;	Yearly
Ongoing review of third party/outsourcing arrangements including onboarding, commercial/key terms and conditions and risk associated therewith;	Quarterly
Review the IT Policies of the Company;	Yearly
The Committee may delegate, as it deems appropriate, its responsibilities and duties to subcommittees or individual members of the Committee;	Yearly
Review the proceedings of the meetings of IT Steering Committee and Information Security Committee and its recommendations;	Quarterly
The Committee shall annually review and reassess the adequacy/frequency of these terms of reference/Charter as per Annexure and recommend any proposed changes to the Board for its approval;	Yearly
Instituting an appropriate governance mechanism for third party vendors/outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with third party vendors/outsourcing in an end to end manner;	Half Yearly
Defining approval authorities for third party vendors/outsourcing depending on nature of risks and materiality;	Half Yearly
Developing sound and responsive third party vendors/outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of third party vendors/outsourcing arrangements;	Half Yearly
Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;	Half Yearly
Overview compliance with the Outsourcing policy, wherever applicable;	Half Yearly
Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;	Annually
Periodically reviewing the effectiveness of policies and procedures;	Annually

Terms of Reference	Calendar of Reviews (Frequency)
Communicating significant risks in outsourcing to the Company's Audit Committee of the Board or the Board on a periodic basis;	Quarterly
Ensuring an independent review and audit in accordance with approved policies and procedures;	Annually
Ensuring that contingency plans have been developed and tested adequately;	Annually
Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing. Ensuring sound business continuity management practices as issued by RBI and seeking proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis;	Annually
Ensuring effective oversight over third party for data confidentiality;	Annually
Creating essential capacity with required skillsets within the organization for proper oversight of outsourced activities.	Annually

b. Composition:

The IT Strategy Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director, 2 (Two) Non-Executive Independent Directors. Chief Information Security Officer of the Company shall be the permanent invitee to the IT Strategy meeting.

The composition of the IT Strategy Committee as onMarch 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Bontha Prasada Rao	Chairman	Non-Executive, Independent
2.	Mr. Arvind Kapil	Member	Executive
3.	Mr. Sunil Samdani	Member	Executive
4.	Ms. Kemisha Soni	Member	Non-Executive, Independent
5.	Ms. Sonal Modi	Member	Non-Executive

The constitution of the Committee is in accordance with the RBI Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices ("ITGRCA Directions").

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of the Members	Attendance of IT Strategy Committee Members			
		16/04/2024	18/07/2024	23/10/2024	29/01/2025
1.	Mr. Bontha Prasada Rao	√	√	√	√
2.	Mr. Arvind Kapil ¹	-	√	√	√
3.	Mr. Sunil Samdani	√	√	√	√
4.	Ms. Kemisha Soni ²	-	√	√	√
5.	Ms. Sonal Modi ³	-	-	√	√
6.	Mr. Abhay Bhutada ⁴	◆	-	-	-
7.	Mr. Sajid Fazalbhoy ⁵	√	-	-	-
8.	Mr. Ashish Mehta ⁶	√	-	-	-
9.	Mr. Dhiraj Saxena ⁷	√	√	-	-
10.	Mr. Atul Kumar Gupta ⁸	√	√	√	-

√ Present, ◆ Absent, - Not Applicable

¹Appointed as the Member w.e.f. June 10, 2024.

²Appointed as a member w.e.f. June 01, 2024.

³Appointed as a member w.e.f. August 16, 2024.

⁴Ceased to be the member w.e.f. June 09, 2024.

⁵Ceased to be the member w.e.f. June 01, 2024.

⁶Ceased to be the member w.e.f. June 01, 2024.

⁷Ceased to be the member w.e.f. October 23, 2024.

⁸Ceased to be a member w.e.f. December 09, 2024.

3.8.CUSTOMER SERVICE COMMITTEE:

a. Terms of Reference:

The composition and terms of reference of the Committee is in accordance with Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023. To align with RBI guideline the Committee reconstituted as Board level Committee on October 23, 2024. The terms of the reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Review of periodic reports (including the analysis of complaints) on quarterly basis;	Quarterly
Review of cases where the decision of Internal Ombudsman has been rejected by the Company;	Quarterly
Approve and review of Standard Operating Procedure of Customer Service processes, schedule of charges for all products;	Event based/Annually
Review the terms and conditions of appointment of Internal Ombudsman and recommend the same to the Board for approval;	Event based
Review of complaint cases where Internal Ombudsman overrules the decision of the company.	Quarterly

b. Composition and Meetings:

The Customer Service Committee comprises of 1 (One) Executive Director, 1 (One) Non-Executive Director and 1 (One) Non-Executive, Independent Director. Principal and Nodal Officer and Internal Ombudsman of the Company shall be the permanent invitees to the Customer Service Committee. The composition of the Customer Service Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Ms. Sonal Modi	Chairperson	Non-Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Kemisha Soni	Member	Non-Executive, Independent

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of the Members	Attendance of Customer Service Committee Members			
		26/04/2024	18/07/2024	23/10/2024	29/01/2025
1.	Ms. Sonal Modi ¹	-	-	√	√
2.	Mr. Sunil Samdani ²	√	√	√	√
3.	Ms. Kemisha Soni ³	-	-	√	√
4.	Mr. Vikas Pandey ⁴	-	-	-	-
5.	Mr. Veeraraghavan Iyer ⁵	-	-	-	-
6.	Mr. Bholananda Behara ⁶	-	-	-	-
7.	Mr. Amar Deshpande ⁷	√	√	-	-
8.	Mr. Manoj Gujara ⁸	√	√	-	-

√ Present, ◆ Absent, - Not Applicable

¹Appointed as a chairperson w.e.f. October 23, 2024.

²Redesignated as a chairman w.e.f. August 16, 2024, and redesignated as a member w.e.f. October 23, 2024.

³Appointed as a member w.e.f. October 23, 2024.

⁴Ceased to be a member w.e.f. October 23, 2024.

⁵Ceased to be a member w.e.f. October 23, 2024.

⁶Ceased to be a member w.e.f. October 23, 2024.

⁷Ceased to be the Chairman w.e.f. August 16, 2024.

⁸Ceased to be a member w.e.f. July 20, 2024.

3.9 REVIEW COMMITTEE:

a. Terms of reference:

The terms of reference of the Review Committee is in accordance with the RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters.

The Review Committee shall review the proposal of Identification Committee for classification as a wilful defaulter.

b. Composition:

The constitution and composition of the Review Committee is in accordance with the criteria specified by RBI vide its Master Directions. The Review Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The composton of the Review Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil ¹	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi ²	Member	Non-Executive
4.	Mr. Bontha Prasada Rao	Member	Non-Executive, Independent
5.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

¹Appointed as a chairman w.e.f. June 10, 2024.

²Appointed as a member w.e.f. August 16, 2024.

³Ceased to be the chairman w.e.f. June 09, 2024.

⁴Ceased to be a member w.e.f.August 30, 2024.

⁵Ceased to be a member w.e.f. December 09, 2024.

c. Meetings and attendance:

During the year, no meeting of the Review Committee was required to be held.

3.10 MANAGEMENT COMMITTEE:

a. Terms of reference:

The Management Committee constituted by the Board of Directors is to execute Board's directions and facilitate operational matters and to perform its executive role on matters which are within the purview of delegated powers by the Board from time to time subject to the provisions of the Act. Such authorizations inter-alia includes to decide on matters w.r.t direct assignment deal, acceptance of term loans, credit facilities of any type, other borrowings etc., opening and closing of current/cash credit account and inclusion and deletion of the authorized signatories to the said current/cash credit account opened in the name of the Company.

b. Composition:

The Management Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive, Independent Directors. The composition of the Management Committee as on March 31, 2025 was as follows:

Sr No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Ms. Kemisha Soni	Member	Non-Executive, Independent
5.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent

c. Meetings and attendance during the FY 2024-25:

Sr. No.	Name of Members	Attendance of Management Committee Members									
		16/05/2024	30/05/2024	20/06/2024	24/06/2024	24/09/2024	28/11/2024	14/02/2025	27/02/2025	24/03/2024	28/03/2025
1.	Mr. Arvind Kapil ¹	-	-	√	√	√	√	√	√	√	◆
2.	Mr. Sunil Samdani	√	√	√	√	√	√	√	√	√	√
3.	Ms. Sonal Modi ²	-	-	-	-	√	√	√	√	√	√
4.	Ms. Kemisha Soni	√	√	√	√	√	√	√	√	√	√
5.	Mr. Prabhakar Dalal	√	√	√	√	√	√	√	√	√	√
6.	Mr. Abhay Bhutada ³	◆	◆	-	-	-	-	-	-	-	-
7.	Mr. Amar Deshpande ⁴	√	√	√	√	-	-	-	-	-	-

√ Present, ◆ Absent, - Not Applicable

¹Appointed as a chairman w.e.f. June 10, 2024.

²Appointed as a member w.e.f. August 16, 2024.

³Ceased to be the chairman w.e.f. June 09, 2024.

⁴Ceased to be a member w.e.f. August 30, 2024.

Other Committees of the Company:

In addition to the above stated 10 (Ten) committees, the Company has following committees which have been constituted as per RBI Directions:

- Information Security Committee;
- IT Steering Committee; and
- Committee of Executives.

All decisions pertaining to the constitution of Committees are taken by the Board of Directors. The terms of reference or charter of the aforesaid Committees is decided by the Board. The role and composition including the number of meetings are given below.

3.11.INFORMATION SECURITY COMMITTEE:

a. Terms of Reference:

The composition and terms of reference of the Committee is in accordance with the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The terms of the reference broadly include:

- Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities;
- Updating IT Strategy Committee and MD/CEO periodically on the activities of Information Security Committee.

- Any deviation from the Vulnerability Assessment/Penetration Testing should be documented and approved by the Information Security Committee.
- b. Composition and Meetings:**
- As on March 31, 2025, the Information Security Committee comprises of Chief Risk Officer, who serves as the Chairman of the Committee, and other representatives of senior management viz. Chief Information Security Officer, Chief Compliance Officer, Chief Technology Officer, Chief Credit and Analytics Officer, Chief Business Officer – Consumer Business, Cheif Business Officer – Commercial Business as other members.
- During the year under review, meeting of Information Security Committee was held on April 12, 2024, July 18, 2024, October 23, 2024 and January 29, 2025.
- 3.12. IT STEERING COMMITTEE:**
- a. Terms of Reference:**
- The composition and terms of reference of the Committee is in accordance with RBI Master Directions on Information Technology Governance, Risk, Controls and Assurance Practices. The terms of the reference broadly include:
- Assist the IT Strategic Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
 - Oversee the processes put in place for business continuity and disaster recovery;
 - Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
 - Update IT Strategy Committee and Managing Director/Chief Executive Officer periodically on the activities of IT Steering Committee.
- b. Composition and Meetings:**
- As on March 31, 2025, the IT Steering Committee comprises of Mr. Arvind Kapil, Managing Director and Chief Executive Officer who serves as the

Chairman of the Committee, Mr. Sunil Samdani, Executive Director and other representatives of senior management viz. Chief Credit and Analytics Officer, Chief Business Officer – Consumer Business, Chief Business Officer – Commercial Business, Chief Compliance Officer, Chief Technology Officer, Chief Risk Officer, as other members. Chief Information Security Officer of the Company shall be the permanent invitee to the IT Steering Committee meeting.

During the year under review, meeting of IT Steering Committee was held on April 12, 2024, July 18, 2024, October 23, 2024 and January 29, 2025.

3.13. COMMITTEE OF EXECUTIVES

a. Terms of Reference:

The Committee of Executives was constituted on October 25, 2024 . The composition and terms of reference is in accordance with Master Directions on Fraud Risk Management in Non- Banking Financial Companies (NBFCs) (including Housing Finance Companies).

The terms of the reference broadly include:

- Fraud Risk Management framework and Policy matters;
- Investigation Framework;
- Show cause notice (SCN) – Issuance and waiver of issuance;
- Review and monitor cases of frauds.

b. Composition and Meetings:

As on March 31, 2025, the Committee of Executives comprises of Executive Director, who serves as the Chairman of the Committee, and other representatives of senior management viz. Chief Credit and Analytics Officer and Chief Risk Officer as other members.

During the year under review, meeting of Committee of Executives was held on January 27, 2025.

4. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR:

During the year under review, following are the changes in the senior management:

Sr. No	Name of the Senior Management Personnel	Designation	Date of Appointment	Date of cessation	Reason of cessation
1.	Mr. Kumar Gaurav	Chief Marketing Officer	14/08/2023	14/06/2024	Resignation (personal urgency)
2.	Mr. Shriram Iyer	Chief Credit & Analytics Officer	17/06/2024	NA	NA
3.	Mr. Veeraraghavan Iyer	Chief Business Officer-Commercial Business	17/06/2024	NA	NA
4.	Mr. Vikas Pandey	Chief Business Officer-Consumer Business	01/07/2024	NA	NA
5.	Mr. Harsh Kumar	Chief Human Resources Officer	01/07/2024	NA	NA
6.	Mr. Manish Chaudhari	Head - Retail Assets	19/06/2021	20/07/2024	Early Retirement
7.	Mr. Anup Kumar Agarwal	Chief Internal Auditor	10/06/2021	20/07/2024	Early Retirement
8.	Mr. Manoj Gujaran	Chief Compliance Officer	23/01/2023	20/07/2024	Early Retirement
9.	Mr. Rajendra Dattatraya Tathare	Chief Risk Officer	30/09/2022	20/07/2024	Early Retirement
10.	Ms. Smita Mitra	Head - Human Resources	19/10/2020	20/07/2024	Early Retirement
11.	Mr. Nitin Sane	Chief Internal Auditor	03/10/2024	NA	NA
12.	Mr. Bholananda Behera	Chief Compliance Officer	05/09/2024	NA	NA
13.	Mr. Bhaskar Pande	Chief Risk Officer	29/08/2024	NA	NA
14.	Mr. Salil Hajarnis	Chief Technology Officer	10/12/2024	NA	NA
15.	Mr. Dhiraj Saxena	Chief Technology Officer	07/07/2023	03/12/2024	Resignation (Professional Disagreement)
16.	Mr. Ashish Mehta	Chief of Staff	19/06/2023	09/12/2024	Resignation (Personal Reasons)
17.	Mr. Hiren Shah	Head - Strategy, BIU and IR	15/07/2022	01/01/2025	Resignation

As on March 31, 2025, the Senior Management Personnel comprises of :

Name	Designation
Mr. Sanjay Miranka	Chief Financial Officer
Ms. Shabnum Zaman	Company Secretary
Mr. Shriram Viswanathan Iyer	Chief Credit & Analytics Officer
Mr. Vikas Pandey	Chief Business Officer – Consumer Business
Mr. Veeraraghavan Iyer	Chief Business Officer - Commercial Business
Mr. Harsh Kumar	Chief Human Resources Officer
Mr. Bhaskar Pandey	Chief Risk Officer
Mr. Bholananda Behera	Chief Compliance Officer
Mr. Nitin Sane	Chief Internal Auditor
Mr. Salil Hajarnis	Chief Technology Officer

5. REMUNERATION OF DIRECTORS:

a. Executive Directors: Remuneration payable to the Executive Directors is in line with the Act, SEBI Listing Regulations and RBI Scale Based Regulation, Remuneration Policy for remunerating directors/ KMPs. Remuneration of Executive Directors includes fixed salary, perquisites, variable pay in the form of commission, other benefits and allowances and certain retiral benefits. The remuneration to Executive Directors is determined by the Nomination and Remuneration Committee which is subsequently approved by the Board of Directors as per the authority given by the Shareholders at the General Meeting.

Non-Executive Directors: Remuneration to Non-Executive Directors is paid by the way of Sitting Fees/ Commission. The criteria for payment of remuneration to Non-Executive Directors is in consonance with the Remuneration Policy of the Company which is available on our website i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>

b. The details of the remuneration paid to the directors for the financial year ended March 31, 2025, is as follows:

(₹ In Crores)					
Sr.No. Directors	Salary and allowances	Commission (variable)	Share Based Payment	Sitting fees	Total
1. Mr. Adar Cyrus Poonawalla	-	-	-	0.08	0.08
2. Mr. Arvind Kapil	45.66	-	-	-	45.66
3. Mr. Sunil Samdani	4.93	-	-	-	4.93
4. Ms. Sonal Modi	-	0.31	-	0.24	0.55
5. Mr. Bontha Prasada Rao	-	0.50	-	0.24	0.74
6. Mr. Prabhakar Dalal	-	0.50	-	0.33	0.83
7. Mr. Sanjay Kumar	-	0.50	-	0.27	0.77
8. Ms. Kemisha Soni	-	0.50	-	0.24	0.74
9. Mr. Kewal Handa	-	0.25	-	0.08	0.33
10. Mr. Rajeev Sardana	-	0.14	-	0.04	0.18
11. Mr. Sajid Fazalbhoy	-	-	-	0.02	0.02
12. Mr. Abhay Bhutada	0.42	-	-	-	0.42
13. Mr. Amar Deshpande	-	-	-	0.22	0.22
14. Mr. Atul Kumar Gupta	-	-	-	0.26	0.26

Salient features of the terms of appointment	Mr. Arvind Kapil (Managing Director and Chief Executive Officer)	Mr. Sunil Samdani (Executive Director)
Period of appointment	Five years	Five years
Remuneration (₹ in Crores)	7.0	#4.3
Basic Salary (₹ in Crores)	2.8	1.72
Benefits, perquisites and allowances		
Housing Rent Allowance (₹ in Crores)	1.4	0.68
Special Allowance (₹ in Crores)	2.33	1.60
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service.	Gratuity payable shall not exceed half a month's salary for each completed year of service.
Contribution to Provident Fund	Contribution to Provident Fund will be as per statutory act.	Contribution to Provident Fund will be as per statutory act.
Notice period	Three months prior written notice to the Company.	Three months prior written notice to the Company.
Severance fees	There is no separate provision for payment of severance fees.	There is no separate provision for payment of severance fees.
ESOP	Granted 80 lakhs stock options under Employee Stock Option Plan-2024-Scheme -II at an exercise price of ₹ 459.58/- each.	Granted 10 lakhs stock options under Employee Stock Option Plan- 2021 at an exercise price of ₹ 300.26/- each.

Salient features of the terms of appointment	Mr. Arvind Kapil (Managing Director and Chief Executive Officer)	Mr. Sunil Samdani (Executive Director)
One-time joining bonus (₹ in Crores)	40.00	##1.00
Annual Performance Bonus (₹ in Crores)	-	0.7
Corporate Club Membership	Yes	N.A

#Revision in remuneration for F Y 2024 - 25 is in accordance with Shareholders approval.

##Claw back clause – In case of resignation on or before 36 months of completion of service, 100% joining bonus will be clawed back.

c. Pecuniary relationship or transactions:

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the year other than receipt of sitting fees for the meetings of Board and its Committees, commission and their shareholding, if any, in the Company.

d. Remuneration Policy:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors and Executive Directors and their remuneration. The Remuneration Policy is in consonance with the industry practice. The Policy of the Company is available on our website i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>

e. Selection criteria for Directors, Senior Management Personnel ('SMP') and Key Managerial Personnel ('KMP'):

- Selection of Executive Director/s shall be on the line of selection criteria laid down for Independent Directors, insofar as those criteria are not inconsistent with the nature of appointment and in accordance with the provisions of Articles of Association; Committee is responsible for identification, shortlisting and recommendation of the candidature of person for the position of Managing Director or any other director to the Board of Directors or appointed in the senior management of the Company;
- Nominee Directors shall be taken on Board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/subscription agreement/s the Company has/will have with such investor/s;

- Independent Directors will be selected on the basis of identification of industry/subject leaders with strong experience. The advisory area and therefore the role, may be defined for each Independent Director;
- SMP shall usually comprises the function and business heads who directly report to Chief Executive Officer/Managing Director;
- For any SMP recruitment, it is critical to identify the necessity for that role in the context of the Company. In order to validate the requirement:
 - Job Description ('JD') along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;
 - The recruitment process shall generally involve meetings with Chief Human Resources Office, MD & CEO and/or identified members of the Nomination and Remuneration Committee ('NRC') and Board, on the basis of which the candidature will be finalised;
 - The total remuneration to be offered to the new candidate as above, shall be placed before the NRC for their concurrence and recommendation to the Board. Thereafter, the offer shall be rolled out to the new candidate.

f. Independence test for the Independent Directors to be appointed:

- For each Independent Director, the appointment shall be based on the balance of skills, knowledge and experience, in the existing Board and roles and capabilities required of an Independent Director;
- The role and duties of the Independent Director shall be clearly specified by highlighting the Committees they are expected to serve on, as well as the expectations of the Board from them;

- For the purpose of identifying suitable candidates, the NRC may:

- use the services of an external agency, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.
- At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;

- Any appointment of the Independent Director shall be approved at the meeting of the shareholders by way of special resolution, at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier;
- Director's Independence test shall be conducted as per the conditions specified in the Act and the rules thereunder;
- Board's expectation from each Independent Director shall be clearly mentioned in the appointment letter;
- The Independent Director shall confirm having read and complied with the Company's Code of Conduct. They shall also need to confirm and sign the Independence Test;
- The remuneration of the directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the directors; and
- Company Secretary shall be involved in the familiarisation/induction process for the Independent Director/s.

g. Remuneration policy for the Directors (including Independent Directors), Key Managerial Personnel ('KMP') and Senior Management Personnel ('SMP'):

- The Non-Executive Directors including Independent Directors would be paid sitting fees subject to the limits prescribed under the Act, or any amendments thereto, as may be

determined by the NRC from time to time, for attending each meeting(s) of the Board and Committees thereof;

- Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the Board and Committee meetings;
- Additionally, the Independent Directors be paid remuneration by way of commission for each financial year:

i) Total commission pay out to all Independent Directors (including Non-Executive Directors) in aggregate shall be restricted to a limit of 1% of net profits of the Company as determined in accordance with Section 198 of the Companies Act, 2013, further subject to recommendation by the NRC and determination by the Board, as further subject to approval by the shareholders of the Company at the Annual General Meeting.

ii) The Independent Directors may be paid remuneration in case of no profits or inadequate profit in addition to the sitting fees as per the provisions of Schedule V of the Act.

iii) NRC shall recommend quantum of commission which, in its best judgement and opinion is commensurate with the level of engagement each Independent Director would have with the members of SMP and/or other Board members, towards providing inputs, insights and guidance on various matters of importance from time to time.

- The remuneration paid to Managing Director/ Whole-time Director(s) shall be considered by the NRC considering various parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the Members at the next General Meeting of the Company in consonance with the provisions of the Companies Act, 2013 and the rules made thereunder;

- For KMP and SMP, remuneration shall be based on the key responsibility areas identified and the achievement thereof. The increments shall usually be linked to their performance as well performance of the company. The total compensation shall comprise of fixed and variable components. Fixed compensation

will be determined based on size and scope of the job, trends in the market value of the job and the skills, experience, and performance of the employee. Fixed compensation will include basic salary, HRA, special allowance, contribution to provident fund, gratuity etc;

- KMP and SMP may also be eligible for Long Term Incentive Plan in the form of stock options or any other equivalent instrument.

6. SUBSIDIARY COMPANY:

Regulation 16(1)(c) of the SEBI Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

During the year under review, the company does not have any subsidiary.

The Policy for determining Material Subsidiaries as approved by the Board may be referred to, at the website of the Company at its weblink i.e., https://poonawallafincorp.com/documents/20121/0/Policy+on+Material+Subsidiary_Website+Version+No.+6.0.pdf/66667a92-58a0-08d2-e6fb-6c29126cbb70

7. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES:

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

The Company has in place Board approved Code of Conduct to Regulate, Monitor and Report and Trading by Designated Persons as well as a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with aforesaid Regulations. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

The Code of Fair Disclosure may be referred to, at the website of the Company at its weblink i.e.

<https://poonawallafincorp.com/documents/20121/0/Code+of+Fair+Disclosure+%281%29.pdf/4daf4093-aaf9-6e2a-6557-7c22cc318f76>

8. MEANS OF COMMUNICATION WITH SHAREHOLDERS

a. Quarterly, Half Yearly and Annual Results:

The quarterly/half yearly/un-audited/audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. These results are simultaneously posted on the web address of the Company at www.poonawallafincorp.com pursuant to Regulation 47 of SEBI Listing Regulations.

Quarterly, half-yearly and annual financial results of the Company are published in widely circulated national newspapers, as per the details given below:

- The Financial Express (English language)
- Loksatta (Marathi language)

b. Annual Reports and Annual General Meetings:

The Annual Reports are emailed/posted to Shareholder and others entitled to receive them. The Annual Reports are also available on the Company's website at <https://poonawallafincorp.com/investor-financials>. The Company also provides live webcast facility of its AGM in co-ordination with NSDL. In line with the MCA Circulars dated April 8, 2020, April 13, 2020, September 25, 2023 and September 19, 2024 and SEBI Circulars dated May 13, 2022, October 07, 2023 and October 03, 2024 the Notice of the AGM along with the Annual Report 2024-25 was sent only through electronic mode to those Shareholders whose e-mail addresses were registered.

c. Website:

Comprehensive information about the Company, its business and operations, press releases and investor information can be viewed at the Company's website at www.poonawallafincorp.com. The website contains a complete overview of the Company. The Company's Annual Report, financial results, details of its business, shareholding pattern, investors' presentation, compliance with Corporate Governance, contact information of the designated officials of the

Company who are responsible for assisting and handling investor grievances, the distribution schedule, credit ratings and Code of Conduct are uploaded on the website.

d. **Presentations to institutional investors/ analysts:**

Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website at www.poonawallafincorp.com. During the financial year 2024-25, Analyst Conference Calls were conducted on April 29, 2024, July 20, 2024, October 25, 2024 and January 31, 2025. Presentations to Institutional Investor/Analysts are uploaded on the Company's website <https://poonawallafincorp.com/investor-financials> 'Investors' section. Transcript and audio recordings are also uploaded on our website.

e. **Press releases:**

Press reports are given on important occasions. They are sent to Stock Exchanges and also placed on the Company's website at www.poonawallafincorp.com

f. **NSE Electronic Application Processing System ('NEAPS'):**

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

g. **BSE Listing Centre ('Listing Centre'):**

BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

h. **eXtensible Business Reporting Language ('XBRL'):**

XBRL is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language

containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. BSE and NSE provide XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and Ministry of Corporate Affairs. The XBRL filings are done on the NEAPS portal as well as the BSE online portal.

i. (a) **SEBI Complaints Redress System ('SCORES'):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

SCORES Portal can be accessed at <https://scores.sebi.gov.in/scores-home>.

(b) **Online Resolution of Disputes in the Indian Securities Market through Online Dispute Resolution ('ODR') Portal:**

SEBI has established a common Online Dispute Resolution Portal ("ODR Portal - <https://smartodr.in/login>") to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal. Link to access ODR portal is available on Company's website <https://poonawallafincorp.com/investor-info> [SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023]

j. **Reminder to investors:**

Communications to claim unclaimed/unencashed dividend on shares were sent to the concerned Shareholders through speed post

9. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management's Discussion & Analysis Report, giving an overview of the financial services industry, its business and its financials, forms part of the Board's Report.

10. **GENERAL BODY MEETINGS:**

a. **Location and time of the last three Annual General Meetings:**

Financial Year ended	Venue	Day and date	Time	Particulars of Special Resolutions passed
2023-24	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra.	Tuesday, July 23, 2024	02:00 P.M.	Special resolution mentioned below was passed with requisite majority: 1. To appoint Mr. Arvind Kapil (DIN: 10429289) as a Managing Director and Chief Executive Officer of the Company
2022-23	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra.	Tuesday, July 25, 2023	02:00 P.M.	No special resolution was passed.
2021-22	Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and deemed venue was Registered Office of the Company at "601, 6 th floor, Zero One IT Park, Survey No. 79/1, Chorpadi, Mundhwa Road, Pune- 411036, Maharashtra	Friday, July 29, 2022	02:00 P.M.	No special resolution was passed.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the SEBI Listing Regulations, the Company has been providing remote e-voting facility to its members to enable them to cast their votes by electronic means on all resolutions.

b. **Location and time of the Extra Ordinary General Meetings ("EOGM"):**

Venue	Day and date	Time	Particulars of Special Resolutions passed
Meeting was conducted through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra.	Thursday, January 09, 2025	10:30 A.M.	4 (Four) Special resolutions mentioned below was passed with requisite majority: 1. Appointment of Mr. Rajeev Sardana (DIN:06648276) as Non-Executive Independent Director of the Company for a period of 3 years. 2. Re-appointment of Mr. Sanjay Kumar (DIN: 09466542), Independent Director of the Company for second term of 3 (three) years. 3. Increase in the Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013 upto ₹50,000 Crores. 4. Creation of Charges on the movable and immovable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 both present and future, in respect of borrowings.

c. Postal Ballot:

During the year under review, Company sought the approval of the Members by means of 2 (Two) Postal Ballots conducted through Remote E-voting for the following business, which was duly passed with requisite majority, details appearing herein below:

Date of resolution passed	Resolution passed	Particulars of Resolutions	Voting Pattern	
			% of votes cast in favour of resolution	% of votes cast against the resolution
May 13, 2024	Special	Approval of Employee Stock Option Plan -2024 – Scheme II (“Plan”).	90.9668	9.0332
		Extension and approval of the 'Employee Stock Option Plan -2024 – Scheme II' (“Plan”) to the employees of the holding company and subsidiary company(ies) (if any, in future) of the Company.	90.2583	9.7417
		Grant of employee stock options equal to or exceeding 1% of the issued share capital of the Company to identified employees of the Company.	90.3118	9.6882
		Re-appointment of Mr. Prabhakar Dalal (DIN: 00544948) as an Independent Director of the Company.	94.5483	5.4517
November 03, 2024	Special	Appointment of Mr. Kewal Handa (DIN: 00056826) as Non-Executive Independent Director of the Company for a period of 3 years.	99.8406	0.1594
		Appointment of Ms. Sonal Modi (DIN: 03403571) as Non-Executive and Non-Independent Director of the Company.	99.8418	0.1582
		Payment of commission to Non-Executive Directors of the Company for a period of 5 (five) years commencing from April 01, 2024.	99.9909	0.0091

d. Special Resolutions proposed to be conducted through Postal Ballot as per Postal Ballot Notice dated April 25, 2025:

1. Approve an amendment in the ‘Employee Stock Option Plan – 2024 Scheme - II’(ESOP 2024 Scheme II)’ to increase the number of stock options in the Plan Pool allocated under ESOP 2024 Scheme II from 2 Crores stock options to 3.25 Crores stock options.
2. Extension of grant of employee stock options to the employees of holding and subsidiary company(ies) (if any in future) of the Company under ‘Employee Stock Option Plan – 2024 Scheme -II’ (ESOP 2024 Scheme II) as amended.

e. Procedure followed for Postal Ballot:

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Management Rules, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, Members can vote only through the remote e-voting. Accordingly, the Company provided remote e-voting facility to all its Members to cast their votes electronically and engaged the services of National Securities and Depository Limited (“NSDL”) for facilitating the e-voting process.

Mr. Girish Bhatia (FCS: 3295 CP: 13792), Practising Company Secretary, acted as the Scrutinizer, for conducting the aforesaid Postal Ballot process, in a fair and transparent manner.

In terms of the MCA Circulars, the Company sent the Postal Ballot Notices in electronic form only to its registered shareholders whose e-mail IDs were registered/available with the Depository Participants (DPs)/Registrars and Share Transfer Agents (RTAs) as on a cut-off date. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting. The scrutinizer, after the completion of scrutiny, submitted his report.

The consolidated results of the voting by postal ballot and e-Voting were then announced and the results were also displayed at the Registered Office of the Company and on the Company's website besides being communicated to BSE Limited, National Stock Exchange of India Limited and NSDL.

11. GENERAL SHAREHOLDERS' INFORMATION:

The Shareholders are kept informed by way of mailing of Annual Reports, notices of Annual General Meetings, Extra Ordinary General Meetings, Postal Ballots and other compliances under the Act and SEBI Listing Regulations. The Company also issues press releases and publishes quarterly results and business updates.

a) AGM details	
Date	: Tuesday, July 29, 2025
Venue	: Venue: Video Conferencing (VC) or through other audio-visual means (OAVM). Deemed Venue: Registered Office
Time	: 03:00 PM IST
b) Financial Year	: The financial year covers the period from April 01 to March 31.
c) Dividend payment date and rate	: In view of the future growth of the Company, the Board of Directors has decided to conserve capital and therefore no dividend was declared for FY 2024-2025.

d) Listing of shares:

The Equity Shares of the Company are listed on –

Name of Stock Exchanges	Stock code	ISIN
National Stock Exchange of India Limited (NSE) 5, Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051.	POONAWALLA	INE511C01022
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.	524000	

e) Payment of Listing Fees	: Annual listing fees has been paid by the Company to BSE and NSE.
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f) None of the Company's securities have been suspended from trading.

g) Registrar and Share Transfer Agents:

i)	Physical and Demat Mode (Securities)	: MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, 400083, Maharashtra Tel No.: + 022 49186060 Email : rnt.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com
ii)	Demat Mode (Retail Non-Convertible Debentures)	: K - Fin Technologies Limited "Selenium Tower - B", Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad -Rangareddy, Telangana - 500032 Tel: + 040 6716 2222 E-mail: einward.ris@kfintech.com Website: www.kfintech.com

h)	Share Transfer System	: Trading of shares to be in compulsorily dematerialised form:	The equity shares of the Company can be traded only in dematerialised form. The dematerialisation facility is available with National Securities Depository Limited and Central Depository Services (India) Limited. Pursuant to the amendment to Regulation 40 of the SEBI Listing Regulations, transfer of shares held in physical form cannot be processed and hence, the equity shares are to be compulsorily traded in electronic form by all shareholders. Shareholders holding shares in physical form are advised to dematerialize their existing holdings.
			Mandatory dematerialization:
			Pursuant to SEBI Master Circular No SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, the Company shall (i) effect issuance of certificates in dematerialised form only, for any requests received for subdivision, split, consolidation, renewal, exchanges, endorsements or issuance of duplicate certificates; and (ii) execute requests for transmission and transposition of securities, held in physical or dematerialised form, in dematerialised form only.
			Process for dematerialisation of shares is available at the website of the Company at weblink i.e. https://poonawallafincorp.com/investor-info
			Simplified Norms for processing Investor Service Request:
			Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of physical shares
			Updation of KYC details pursuant to SEBI Master Circular bearing reference nos SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
			With reference to the above Master Circular issued by SEBI that mandates all the listed companies to record PAN, Address with PIN code, Mobile Number, Bank Account details, Specimen Signature and Nomination of holders of physical securities. Although the email ID is optional, however, the security holders are requested to register their email id also to avail online services. This is applicable for all security holders holding shares in physical form.
			A) In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend/interest etc. shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.
			B) If a security holder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 01, 2024, then the security holder would receive all the dividends/interest etc. declared during that period (from April 01, 2024 till date of updation) pertaining to the securities held after the said updation automatically.
			The forms for updation of PAN, KYC, bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website at https://poonawallafincorp.com/investor-info .
			In compliance with the above stated SEBI Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination.
			Members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI Circular along with the supporting documents, wherever required, to our RTA, MUFG Intime India Private Limited (Formerly known as Link Intime India Pvt. Ltd). for immediate action.
			email rnt.helpdesk@in.mpms.mufg.com :
			A copy of such forms can be downloaded from the website of the Company at www.poonawallafincorp.com or from the website of our RTA at www.in.mpms.mufg.com → Resources→ Downloads→ KYC →Formats for KYC.

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n) Plant locations	In view of the nature of business activities carried on by the Company, the Company operates from various offices in India and does not have any manufacturing plant.		
o) Address for correspondence for Shares/Debentures and related matters	Ms. Shabnum Zaman Company Secretary 201 and 202, 2 nd Floor, AP 81, Koregaon Park Annex, Mundhwa, Pune- 411 036 Maharashtra. Email Id: secretarial@poonawallafincorp.com		
p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Instrument	Ratings	Rating Agency
	Rating Under Basel Guidelines		
	Commercial Paper/Short Term Bank Facilities	A1+	CARE/CRISIL
	Secured Non-Convertible Debentures	AAA; Stable	CARE, CRISIL, BRICKWORK, ACUITE
	Unsecured Sub-debt	AAA; Stable	CARE, CRISIL, ACUITE, BRICKWORK
	Perpetual Debt Instruments	AA+;Stable	CARE/CRISIL
	Long Term Banking Facilities	AAA;Stable	CARE/CRISIL
q) Company's registered office	201 and 202, 2 nd Floor, AP 81, Koregaon Park Annex, Mundhwa, Pune- 411036.		
Company's Corporate Office	Unit No 2401, 24 th floor, Altimus, Dr. G.M. Bhosale Marg, Worli, Mumbai -400018.		
r) Book Closure date	The register of members and share transfer books of the Company will remain closed from Thursday, July 24, 2025 to Tuesday, July 29, 2025 (both days inclusive) for the purpose of AGM.		
s) Financial calendar (tentative)			
Financial reporting for the quarter ending			
01 st quarter ending June 30, 2025			
02 nd quarter ending September 30, 2025	End of the subsequent month from the end of the quarter.		
03 rd quarter ending December 31, 2025			
03 rd quarter ending December 31, 2025			
Annual General Meeting for the year ending March 31, 2026	The Annual General Meeting to consider such annual accounts is held in the second quarter of the financial year.		
t) Contact person for clarification on Financial Statements	For clarification on Financial Statements, kindly contact: Mr. Sanjay Miranka Chief Financial Officer Email: secretarial@poonawallafincorp.com		

u) Nomination facility	As per the provisions of Section 72 of the Act, the facility for making nominations is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's website under the weblink at https://poonawallafincorp.com/investor-info Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.
v) Requirement of PAN	Members who hold shares in the physical form are advised that in terms of the SEBI Listing Regulations, for transmissions of shares etc., a copy of the PAN card along with other necessary documents shall be submitted to the RTA.
w) Rights of Members	The following are some of the important rights of the members: 1. Receive notices of General Meetings, Annual Report, etc. 2. Attend and vote at the General Meetings and appoint proxy in their stead. 3. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10th of the total paid up share capital of the Company carrying voting rights. 4. Receive dividends and other corporate benefits like rights, bonus shares etc., when declared/announced. 5. Inspect minutes book of General Meetings. 6. Inspect Register of Members. 7. Nominate a person to whom his/her shares shall vest in the event of death. 8. Seek relief in case of oppression and mismanagement in the manner given under Section 241 of the Act. 9. Seek relief in case the affairs of the Company are managed in a manner prejudicial to the interest of the Company or its members by virtue of a Class Action Suit under Section 245 of the Act.
x) Debt Securities Listing	The Wholesale Debt Market (WDM) Segment of BSE and NSE.
y) Debenture Trustees	Pursuant to Regulation 53 of the SEBI Listing Regulations the name and contact details of the Debenture Trustee for the privately placed NCDs and retail NCDs are given below: Catalyst Trusteeship Limited 'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune 411 038 Maharashtra, India Tel: +91 22 4922 0555 Fax: + 91 22 4922 0505 E-mail: ComplianceCTLMumbai@ctltrustee.com Investor Grievance Email: grievance@ctltrustee.com
(z) Disclosure with respect to demat suspense account	The Company does not have any shares in demat/unclaimed suspense account.
aa) Disclosure of certain types of agreements binding listed entities	During the year under review, the Company has not disclosed any information under clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations. Hence the same is not applicable.

12. OTHER DISCLOSURES

1. Disclosures on materially significant related party transactions:

All related party transactions that were entered into during the financial year were on an arm's length basis and were usually in the ordinary course of business. There have been no material significant related party transactions between the Company and its directors, their relatives or associates. All Related Party Transactions are placed before the Audit Committee. Disclosure of transactions with related parties is provided in notes to the financial statements, forming part of the Annual Report.

2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

No penalties and/or strictures have been imposed on the Company in this regard during the FY 2023-24 & FY 2024-25, Furthermore during the FY 2022-23 Company paid fine to stock exchanges for operational delay in reporting record date of non-convertible debentures under SEBI Listing Regulations, Subsequently, BSE and NSE have waived the said fine.

3. Vigil mechanism/Whistle Blower:

The Company has in place Board approved Policy on Breach of Integrity and Whistle Blower (Vigil mechanism). The Policy was framed with an objective to deal with issues pertaining to integrity, encouraging the employees and directors of the Company to raise any concern about Company's operations and working environment, including possible breaches of Company's policies and standards, without fear of adverse managerial action being taken against such employees.

It provides a channel to Whistle Blower to report concerns about any Alleged Wrongful Conduct and to build and strengthen a culture of instances of such suspected or confirmed incident of fraud/misconduct may be reported on the designated email id i.e. whistleblower@poonawallafincorp.com

An Ethics & Disciplinary Committee as constituted under the vigil mechanism looks into the complaints raised and their redressal. The Committee reports to the Audit Committee.

The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and in exceptional cases direct access to the Chairman of the Audit Committee to report instances of fraud/misconduct. During the year under review, no employee was denied access to the Audit Committee.

The said Policy may be referred to, at the website of the Company at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc>

4. Adoption of mandatory and non-mandatory requirements of Regulation 27(1) of SEBI Listing Regulations and Schedule V.

The Company has adopted all the non-mandatory requirements as stated under Part E of Schedule II to the SEBI Listing Regulations and reproduced herein below:

A. The Board:

The Chairman is the Non-Executive Director and does not maintain any office at the expense of the Company.

B. Shareholder rights:

Since the quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's website, these are not sent individually to the Shareholders of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the 'Investors' section. The complete Annual Report is sent to every Shareholder of the Company through electronic mode at email ids registered with the RTA/Depository Participants (DPs).

C. Modified opinion(s) in audit report:

It is always the Company's endeavour to present unmodified Financial Statements.

D. Separate posts of Chairman and MD:

As on the date of this Report, the Chairman of the Board is a Non-Executive Director, and his position is separate from that of the Managing Director.

E. Reporting of Internal Auditor:

The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the Managing Director.

F. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.:

During the year under review, the Company has not entered with any materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

G. Independent Directors:

During the financial year 2024-25, the Independent Directors met on January 24, 2025 without the presence of Non-Independent Directors and Members of Management. In FY 2025-26 and onwards company will endeavour to hold at least two meetings in a financial year

5. Policy for determining 'Material' Subsidiaries:

The Policy for determining Material Subsidiaries as approved by the Board may be referred to, at the

9. Total fees for all services paid by the listed entity and its subsidiary, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

During the year, details of fees paid/payable to MSKA and Associates and, Kirtane & Pandit LLP, Statutory Auditors by the Company and its subsidiary, are given below:

Further during the year, fees paid to erstwhile Joint Statutory Auditor Walker Chandio & Co LLP are given below:

(₹ In Crores)			
Particulars	MSKA and Associates		
	By the Company	By the Subsidiary	Total Amount
Statutory Audit (including Limited review)	0.87	-	0.87
Other Services	0.15	-	0.15
Out-of-pocket expenses	0.12	-	0.12
Total	1.14	-	1.14

(₹ In Crores)			
Particulars	Kirtane & Pandit LLP		
	By the Company	By the Subsidiary	Total Amount
Statutory Audit (including Limited review)	0.60	-	0.60
Other Services	0.16	-	0.16
Out-of-pocket expenses	0.07	-	0.07
Total	0.83	-	0.83

website of the Company at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Policy-to-Determine-Material-Events.pdf/b135ffe3-a249-fa2c-fa96-5bfb7a2f344c>

6. Policy on dealing with Related Party Transactions:

The Policy on Related Party Transactions as approved by the Board is available on the Company's website at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Policy+on+Related+Party+Transaction.pdf/dcabc2aa-14da-673a-b8af-bcb22ccfdc97>

7. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations:

During the year under review, your Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement. Therefore, there are no details to be disclosed as per Regulation 32(7A) of SEBI Listing Regulations.

8. All the recommendations of the various Committees were accepted by the Board.

Particulars	(₹ In Crores)		
	Walker Chandiok & Co LLP		
	By the Company	By the Subsidiary	Total Amount
Statutory Audit (including Limited review)	0.17	-	0.17
Other Services	0.03	-	0.03
Out-of-pocket expenses	0.03	-	0.03
Total	0.23	-	0.23

Note : The above fees are exclusive of applicable tax.

10. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules thereunder.

The following is a summary of Sexual Harassment complaint(s) received and disposed off during FY 2024-25, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder:

- a. number of complaints pending at the beginning of the financial year: Nil
- b. number of complaints filed during the financial year: Nil
- c. number of complaints disposed off during the financial year: Nil
- d. number of complaints pending as on end of the financial year: Nil

11. During the year under review, no loans and advances was granted to firm/companies in which directors are interested by Company and its subsidiary besides as disclosed in financial statements.

12. All the amounts raised by the Company through private placement of Non-Convertible

Debentures during FY 2024-25 have been fully utilised towards the purposes for which these amounts were raised and there has been 'no deviation' in utilisation of the proceeds raised.

13. The Company has complied with all the requirements of Corporate Governance Report as stated under sub paras (2) to (10) of section I of Schedule V to the SEBI Listing Regulations. The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

14. The Company has received sufficient disclosures from promoters, directors or the senior management wherever applicable.

15. The Company follows Indian Accounting Standards (Ind-AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

16. Details of Material Subsidiary:

There are no material subsidiary in the Company as on March 31, 2025.

17. Reconciliation of Share Capital:

During the year under review, an audit was carried out at the end of every quarter by Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges.

18. Other Shareholders information:

A) Transfer of unclaimed/unpaid amounts to Investor Education and Protection Fund:

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended March 31,2017, have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website at www.poonawallafincorp.com and on the website of the Ministry of Corporate Affairs at www.mca.gov.in.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2017, and remained unclaimed are transferred to the IEPF. The Company had sent notices to all such Members in this regard and published a newspaper advertisement and, thereafter, transferred the shares to the IEPF during financial year 2024-25. The details of such shares transferred have been uploaded in the Company's website at www.poonawallafincorp.com.

For and on behalf of the Board

Arvind Kapil
Managing Director & Chief Executive Officer
DIN: 10429289

Mumbai
April 25, 2025

The details of unclaimed dividends and Equity shares transferred to IEPF during the year 2024-25 are as follows:

Amount of unclaimed dividend transferred	Number of Equity shares transferred
₹609,579	23,365

The shareholders may claim the shares and dividend transferred to IEPF by making an online application to IEPF Authority in Form IEPF-5 available on the website www.iepf.gov.in along with the fee as may be prescribed by the Central Government, from time to time.

B) E-Voting:

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. The Company has entered into agreements with NSDL and CDSL for availing e-Voting facilities. The Company will also have the e-Voting facility for the items to be transacted at this AGM. The MCA has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form.

19. Practicing Company Secretaries' Certificate on Corporate Governance:

As required under Regulation 34 of the SEBI Listing Regulations, the Practicing Company Secretaries' certificate on Corporate Governance is annexed as Annexure C to this Report.

20. CEO and CFO Certification:

The certificate required under Regulation 17(8) of the SEBI Listing Regulations, duly signed by the Managing Director and Chief Financial Officer of the Company was placed before the Board. The same is provided as Annexure D to this report.

Sunil Samdani
Executive Director
DIN: 10301175

Mumbai
April 25, 2025

MD Certificate on Code of Conduct

Anexure-A

Date: April 25, 2025

The Board of Directors
Poonawalla Fincorp Limited
201 and 202, 2nd Floor, AP 81,
Koregaon Park Annex, Mundhwa
Pune- 411 036

I, Arvind Kapil, Managing Director and Chief Executive Officer of Poonawalla Fincorp Limited hereby confirm that all the Board Members and Senior Management Team have affirmed compliance with the “Code of Conduct for Directors and Senior Executives of the Company”, as applicable to them for the year ended March 31, 2025.

Thanking You,
Yours sincerely,

For Poonawalla Fincorp Limited

Arvind Kapil
Managing Director and Chief Executive Officer
(DIN: 10429289)

Certificate Of Non-Disqualification Of Directors

(Pursuant to Regulation 34(3) and Schedule V para C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

Anexure-B

To,
The Members,
Poonawalla Fincorp Limited
201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of POONAWALLA FINCORP LIMITED (“the Company”) having (CIN : L51504PN1978PLC209007) and having registered office at 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune, Maharashtra, India, 411036 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (“the Listing Regulations”).

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31st, 2025 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Mr. ADAR CYRUS POONAWALLA	00044815	01/06/2021
2.	Mr. ARVIND RAVINDER KAPIL	10429289	10/06/2024
3.	Mr. SUNIL MADHAV SAMDANI	10301175	20/10/2023
4.	Mr. PRASADA RAO BONTHA	01705080	10/12/2019
5.	Mr. PRABHAKAR RAMCHANDRA DALAL	00544948	05/05/2021
6.	Ms. KEMISHA SONI	06805708	30/01/2024
7.	Mr. SANJAY KUMAR	09466542	15/01/2022
8.	Ms. SONAL SANJAY MODI	03403571	16/08/2024
9.	Mr. KEWAL KUNDANLAL HANDA	00056826	01/10/2024
10.	Mr. RAJEEV SARDANA	06648276	18/12/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SIUT & Co LLP
Company Secretaries
(Unique code: L2021MH011500)

Name: CS I U Thakur
Partner
FCS: 2298
CP : 1402
UDIN: F002298G000197339
Peer Review Certificate No.: 5460/2024

Date: 25/04/2025
Place: Pune

Certificate On Corporate Governance

Anexure-C

To,
The Members,
Poonawalla Fincorp Limited
201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036

We have examined the compliance with conditions of Corporate Governance by POONAWALLA FINCORP LIMITED ("the Company"), for the year ended on March 31st, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub- regulation 46 (2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SIUT & Co LLP
Company Secretaries
(Unique code: L2021MH011500)

Name: CS I U Thakur
Partner
FCS: 2298
CP : 1402
UDIN: F002298G000197317
Peer Review Certificate No.: 5460/2024

Date: 25/04/2025
Place: Pune

CERTIFICATION IN TERMS OF REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Anexure-D

Date: April 25, 2025

The Board of Directors
Poonawalla Fincorp Limited
201 and 202, 2nd Floor, AP 81,
Koregaon Park Annex, Mundhwa
Pune- 411 036

We, the undersigned in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of Poonawalla Fincorp Limited, certify to the Board in terms of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended March 31, 2025.

1. To the best of our knowledge and belief, we certify that:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iii) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

(a) significant changes, if any, in the internal controls over financial reporting during the year.

(b) significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

(c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Poonawalla Fincorp Limited

Arvind Kapil
Managing Director and Chief Executive Officer
(DIN: 10429289)

For Poonawalla Fincorp Limited

Sanjay Miranka
Chief Financial Officer

Business Responsibility & Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L51504PN1978PLC209007
2.	Name of the Listed Entity	Poonawalla Fincorp Limited ("PFL/the Company")
3.	Year of incorporation	December 18, 1978
4.	Registered office address	201 and 202, 2 nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411036 Maharashtra, India
5.	Corporate address	2401, 24 th Floor, Altimus, Dr G.M. Bhosale Marg, Worli, Mumbai- 400018 Maharashtra, India
6.	E-mail	secretarial@poonawallafincorp.com
7.	Telephone	020- 67808090
8.	Website	www.poonawallafincorp.com
9.	Financial year for which reporting is being done	01-04-2024 to 31-03-2025
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	₹155,60,28,800 (As on March 31, 2025)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shabnum Zaman Company Secretary Telephone - 020- 67808090 Email address – secretarial@poonawallafincorp.com
13.	Reporting boundary <i>Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).</i>	Standalone basis
14.	Name of the assurance provider	-
15.	Type of the assurance provider	-

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY2024-25)
1	Financial and insurance Service	Financial and Credit leasing activities	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Financial and related services	K Group: 649	100

Key products and services of the Company: Financing for Small and Medium Enterprises, Personal and consumer, Loan Against Property, Pre-owned Car, Mid-market and NBFC Loan, Medical Equipment Loan & Machinery Loan, Supply Chain Finance , Educational Loan and Commercial Vehicle Loan.

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Contact Centre	Total
National	101 (Branches)	2 (Corporate office & Registered office)	01	104
International	0	0	00	0

19. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States)	20 states
International (No. of Countries)	None

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company, being an NBFC does not export any products/services. Thus, this question is not applicable.

c. A brief on types of customers

The Company focuses on two well defined customer segments of consumer and MSME. For these segments the Company offers a wide array of products and services to cater to their specific ever evolving needs. The customers here are both individuals as well as entities. In the consumer segment it primarily consists of the salaried individuals, whereas for MSME, the Company's customers are business entities which are represented through the proprietor, partner or directors depending on the the business constitution.

Our diversified products and services include the following:

- Personal Loan: to individuals for all consumption purposes including but not limited to travel, medical, emergency lifestyle purchases etc.
- Personal Loan Prime (PL Prime): for Salaried individuals employed with
- Business Loan: provided to MSME, for working capital and other short-term financing needs.
- Professional Loans: for self-employed professionals like CA, CS, doctors to expand their practice.
- Loan Against Property to MSMEs for their working capital or other business requirements and salaried individual and self-employed professionals
- Pre-owned car loan to purchase a car or to refinance the car for personal or business funds requirement.
- Mid-market and NBFC: loans to well-rated selected corporates
- Medical Equipment Loan & Machinery Loan to cater to asset funding requirement of Doctors and MSMEs.
- Supply Chain Finance to cater to upstream and downstream financing needs of anchors thereby helping the MSMEs have easy access to capital.
- Educational Loan primarily focuses on students pursuing higher education in international universities.
- Commercial Vehicle Loan for individuals, proprietorship, OPC, Partnership firms, LLP, Companies (Public & Private), HUF, Private Trust, Public Trust & Society.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	3594	3183	88.56%	411	11.44%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	3594	3183	88.56%	411	11.44%
Workers						
4.	Permanent (F)					
5.	Other than Permanent (G)			Not Applicable		
6.	Total workers (F + G)					

b. Differently abled Employees and workers:

Se. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently abled employees [#]					
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
	Differently abled workers					
4.	Permanent (F)					
5.	Other than permanent (G)			Not Applicable		
6.	Total differently abled workers (F + G)					

[#]The Company embraces diversity and does not discriminate against anyone based on their race, gender, religion, beliefs, disability, marital status, age, identity or any other factor.

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
#Key Management Personnel	4	1	25%

[#]The Company has 4 KMPs out of which 2 are Directors.

22. Turnover rate for permanent employees and workers:

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.35%	2.14%	16.49%	10%	1%	11%	22%	2%	24%
Permanent Workers	Not applicable								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures:

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	#Rising Sun Holdings Pvt Ltd	Holding	NA	No
2	##Jaguar Advisory Services Private Limited	Joint venture	48.89%	No

[#]Rising Sun Holdings Pvt Ltd holds 62.53% of shares in the Company

^{##}Refer note no 18 of the standalone financial statement.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (₹ in Crores.) ₹4,222.84 Crores

(iii) Net worth (₹ in Crores) ₹8,123.98 Crores

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes E-mail at csr@poonawallafincorp.com (https://poonawallafincorp.com/contact-us.php)	0	0	0	0	0	Community grievances are received through Implementing agencies
#Investors (other than shareholders)	Yes (https://poonawallafincorp.com/investor-info.php)	2	1	Action Taken Report for the 1 complaint was submitted on SEBI Scores. The same is pending with SEBI for closure as on the date of this Report.	1	0	None
Shareholders	Yes (https://poonawallafincorp.com/investor-info.php)	8	1	Action Taken Report for the 1 complaint was submitted on SEBI Scores. The same is pending with SEBI for closure as on the date of this Report.	5	0	None
Employees and workers	Yes (https://poonawallafincorp.com/documents/20121/0/POSH-Policy.pdf/0aec60de-7381-d8eb-be20-c5544cb2d1c6) Employee Grievance Redressal Guideline Email at redressal@poonawallafincorp.com	0	0	0	0	0	None
Customers	Yes (https://poonawallafincorp.com/documents/d/poonawalla-fincorp/grievance-redressal-policy)	2901	387	Pending complaints as on 31 March 2025 have been suitably addressed in April, 2025	3571	57	Pending complaints have been suitably addressed in April, 2024
Value Chain Partners	No	-	-	-	-	-	Vendors route their grievances through the business team that they engage with, there have been no substantial grievances reported in this reporting period.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	It has been the Company's practice to upload all polices on the internal portal for the information and implementation by the internal stakeholders and some of these policies are also available at the following website. Policies Investor relations (Company Policies, Committee Details and Other Governance Details of PFL (www.poonawallafincorp.com))								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	The Company has translated the policies and imbibed the same into procedures and procedures translated policies into acceptable workable practices as applicable to the Company.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of PFL has approved various policies such as Code of Conduct for Direct Selling Agents (DSAs), Direct Marketing Agents (DMAs), and Debt Recovery Agents (DRAs), Whistle Blower Policy, etc. These policies enable participation of value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	Principle 1 to 9 -								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	FY 2025-26 Poonawalla Fincorp has established a sustainability roadmap that underscores its commitment to responsible business practices. As part of this initiative, the company is actively implementing key policies and frameworks including the Supplier's Code of Conduct, Human Rights Policy & Health and Safety Policy. Poonawalla Fincorp Limited aims to plant over 5,000+ trees in FY26, reaffirming its commitment to environmental sustainability and community development. This initiative is expected to play a vital role in carbon offsetting, enhancing urban air quality, and reducing heat stress.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	To support greater participation of women in the workforce, we have introduced flexible working arrangements tailored to their needs. Additionally, to strengthen our talent acquisition efforts, we have enhanced our referral program by offering an elevated referral bonus for successful hiring of women candidates. These measures reflect our ongoing focus on fostering an inclusive workplace and expanding opportunities for women across roles and levels.								
Governance, leadership and oversight									

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	
We are proud to present a comprehensive summary of our progress in environmental, social, and governance (ESG) initiatives. Our commitment to transparency and accountability continues to guide our ESG journey, with governance serving as a fundamental element. On the environmental front, we have taken meaningful steps to reduce our ecological footprint. This includes adopting sustainable waste management practices, promoting responsible consumption of water and energy among our stakeholders, plantation of 2,555 trees in FY 2024–25, creating approximately 210 workdays for local laborers, these trees are expected to offset CO ₂ , while enhancing urban resilience through improved air quality and reduced heat. Socially, we have prioritized building a diverse, equitable, and inclusive workplace. Our inclusive policies and targeted training programs are designed to ensure fair opportunities for all team members. Customer-centricity remains a key focus. Additionally, our active involvement in corporate social responsibility efforts reflects our dedication to uplifting the communities in which we operate. As we look ahead, we remain steadfast in our pursuit of continuous improvement in our ESG performance. We deeply appreciate the unwavering support of our employees, customers, partners, and stakeholders. Together, we are shaping a Sustainable, Predictable and Productive Business.	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Arvind Kapil Managing Director & CEO DIN: 10429289
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes Corporate Social Responsibility Committee, ESG Committee & Risk Management Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes (Principle 1,2,3,4,5,6,7,8,9) Committees of the Board									As a practice, all the Board approved policies of the Company are reviewed annually or as per need basis and placed before the Board of Directors. Further, all the policies (excluding board approved policies) are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/respective committees. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes The Company is in compliance with the extant regulations, as applicable. Except for the penalties mentioned (Principle 1 Essential Indicator 2), there were no material non compliances with respect to statutory/regulatory requirements.									Annually or on need basis								
11.Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9									
	No.																	
										All policies of the Company are evaluated and reviewed internally as and when required.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					NA				
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

The Company works closely with collective trade and industry associations as and when required.

Sr. No	Principle No. and Definition	List of Policies
1	Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable	Code of Business Ethics, Code of conduct and Discipline rules, Code of Practices and Procedures for Fair Disclosure; Code of Internal Procedure and Conduct for Prohibition of Insider Trading; Code of Independent Director, Compliance Policy; KYC and Anti-Money Laundering (AML) Policy, Policy for Determination of Materiality of Events; Policy on Dealing with Related Party Transactions; Breach of Integrity and Whistle Blower/Vigil Mechanism Policy; Remuneration Policy, Corporate governance policy, Fair Practice Code, Grievance Redressal Policy, Outsourcing Policy, Investor Grievance Policy, Environmental and Social Governance Policy & Governance Framework, Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)/Debt Recovery Agents (DRAs).
2	Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Cyber Security policy, Information Security Policy, Information Technology Management Policy, Risk Management Policy, Policy on process for disposal of E-Waste Items, Business Continuity Policy, Environmental and Social Governance Policy & Governance framework.
3	Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chain	Breach of Integrity and Whistle Blower/Vigil Mechanism Policy, Policy on prevention and Redressal of Sexual Harassment, Rewards and Recognition Policy, Leave Policy, Diversity and Inclusion Policy, Learning and Development Policy, Employee Education Policy, Code of Business Ethics.
4	Principle 4: Businesses should respect the interests of and be responsive towards all its stakeholders	Corporate Social Responsibility Policy; Environmental and Social Governance Policy & Governance framework, Grievance Redressal Policy, Investor Grievance Policy.
5	Principle 5: Businesses should respect and promote human rights	Diversity and Inclusion Policy, Policy on prevention and Redressal of Sexual Harassment, Code of Business Ethics, Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)/Debt Recovery Agents (DRAs).
6	Principle 6: Businesses should respect, protect and make efforts to restore the environment	Environmental and Social Governance Policy & Governance framework, Risk Management Policy, Policy on Process for Disposal of E-Waste Items.
7	Principle 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Environmental and Social Governance Policy & Governance framework, Compliance Policy.
8	Principle 8: Businesses should promote inclusive growth and equitable development	Corporate Social Responsibility Policy, Environmental and Social Governance Policy & Governance framework.
9	Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Interest and Penal Charge Policy, Fair practice code, Information Security Policy, Cyber Security Policy, Information Technology Management, Grievance Redressal Policy, Environmental and Social Governance Policy & Governance framework.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1:Businesses should conduct and govern themselves with integrity, and in amanner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programs
Board of Directors	6 Refer weblink: https://poonawallafincorp.com/documents/20121/0/Draft-Familiarization-program-FY24-25-upload-version.pdf/4e4f7bb0-a682-9f19-7655-a9643e22b4b2	A. Sessions on business and performance, regulatory updates and compliance Sessions were conducted on below mentioned topics by the external consultant: B. Corporate Governance: 1. Evolving global Corporate Governance landscape and related challenges 2. Board Committees and Culture 3. Code of Conduct and Vigil mechanism 4. Prevention of sexual harassment (POSH) 5. Prevention of Insider Trading 6. Data privacy/Data leakage Prevention/Cyber security C. #Sessions Conducted by Centre for Advanced Financial Research and Learning (CAFRAL): 1. Corporate Governance & Ethical Practices, Board Vs Management, An Overview of Risk Management, Raising of Capital for Banks/NBFCs, Capital Market Regulations: Board Perspective, Governance Challenges in Use of Advanced Technologies in Financial Intermediation, Impact of Climate Change on Financial Intermediaries’ Business, Cyber Security in Financial Intermediaries, Key Committees of the Board & their Effectiveness. 2. Cyber Security: Regulatory perspective, New age tools to combat cyber security threats, Discussion and learning from recent cyber incidents, Need for cyber risk management, Digital Forensic Audit. 3. Role and Responsibilities of Directors – Expectations of the regulator, Issues and challenges of Directors – Mitigating challenges efficiently, Role of Directors on various committees –Asking the right question, Developing an effective operational risk framework for stronger internal controls. Impact: Several critical insights into regulatory perspectives.	100%

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness Programs
Key Managerial Personnel	10	A Corporate Governance: 1. Evolving global Corporate Governance landscape and related challenges 2. Board Committees and Culture 3. Code of Conduct and Vigil mechanism 4. Prevention of sexual harassment (POSH) 5. Prevention of Insider Trading 6. Data privacy/Data leakage Prevention/Cyber security Road to Compliance Course: 1. KYC 2. AML 3. INFOSEC 4. Data Leakage Prevention, 5. POSH, 6. Understanding of Prohibition of Insider Trading, 7. Data Leakage Prevention 8. Code of Conduct. 9. Safety & Well Being Impact: The programs have ensured strategic alignment to the larger organization goals and critical insights on changing regulations and the need to adopt with changing customer needs like data privacy and security.	100%
##Employees other than BoD and KMPs	2171	Road to Compliance Course: 1. KYC 2. AML 3. INFOSEC 4. Data Leakage Prevention, 5. POSH, 6. Understanding of Prohibition of Insider Trading, 7. Data Leakage Prevention 8. Code of Conduct. 9. Safety & Well Being 10. Functional skills and knowledge program, program pertaining to skill upgradation. such as - Emerging Leaders Program, Interviewing skills, Leadership Excellence Program, Train The Trainer (TTT), Young Leader Development Program New Hire Training – Prarambh, Business Loans Training – Hindsighting, Training on Digital payment mode, Policy Refresher – Products, Account Aggregator Integration Training, AI for Leaders and Mobilizers, Collections- Code of Conduct & Hygiene, Complete insurance solution - Insurance Team Customer Relationship Management (CRM) - Overview, Customer First Approach, Customer service training, Discussion regarding to reduce First Time Not Right (FTNR) percentage, ECL- A General Overview, Enhancing Hiring Decisions with Effective Applicant Screening, Monthly Refresher Training - Sales Team, Risk Management Training, etc. Impact: Functional skilling and upskilling programs have resulted in new joiners quickly adapting and being ready to deliver business results. Function specific programs have impacted areas like productivity, improved TAT and customer satisfaction score and reduction in process lapse/errors.	97.7%
Workers		Not applicable	

#Sessions were attended by Non-executive director including Independent Director.

##Program count – 2,171 (Session Count – 14,836)

Presentations were delivered at the Board and committee sessions throughout FY 2024-25. The Board of Directors received information on a variety of subjects related to topics on economic, or regulatory changes in their capacity as members of various committees of the Board. The new directors must go through induction and familiarization programme which is mandatory as per SEBI Listing Regulations. The familiarization program also includes explaining to the independent directors about the ongoing events of the company, business structure, codes and policies, duties, liabilities etc. The same is available on the website at [PFL-Familiarization-Program-FY24-25.pdf](#) ([poonawallafincorp.com](#))

The Board of Directors and KMPs received a briefing on their duties, with a particular focus on Corporate Governance. They were also updated on the latest advancements in IT, cybersecurity, digitalization programs, and legal requirements, as well as customer centricity. The Company prioritized induction training for all employees, which included 9 principles emphasizing governance standards and the code of business ethics. The annual code of conduct training was made mandatory for all employees, along with virtual modules on compliance. Employees must achieve a pass percentage in compliance training modules, and if they fail to do so, they are required to retake the module. The Company also provides functional, competency, and behavioral programs, as well as specific trainings tailored to the needs of various functions.

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	Reserve Bank of India	10,00,000	This pertains to RBI Inspection observations for FY 2021 - 2022. Monetary penalty was imposed on the Company for charging interest on loans from dates prior to the dates of disbursal of loans, which was contrary to the terms and conditions of the loans communicated to the customers. The amount has been paid by the Company.	No
Settlement			N.A.		
Compounding fee			N.A.		
			Non-Monetary		
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable as there have been no such cases.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

The Company has Code of Business Ethics, the coverage of this code includes aspects related to Conflict of Interest, customer relations, business interest, gifts to an individual or relatives or associates or third parties or political donations. Please find further details at <https://poonawallafincorp.com/documents/20121/0/PFL-Code-of-Business-Ethics.pdf/1284f145-ff1d-5a6f-7608-cb4bccaf2f50>.

It is crucial to note that the Company will take appropriate action against any associates whose actions are found to violate the codes of the Company.

The Company also has a defined Code of Conduct & Discipline Rules (COC) to deter wrongdoings and to foster and maintain the standard of business conduct for employees, trust and confidence in the professionalism and the integrity of the employees. This COC is applicable to all employees across functions, geographies and grades. The abovementioned COC aims to maintain the standard of business conduct and ethics and serve as guideline to report fraud, unethical or illegal practice. If an employee is found guilty, upon an enquiry, disciplinary action may be taken as per COC.

The Company has also adopted Breach of Integrity and Whistle Blower/Vigil Mechanism Policy, the same is available at <https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directors	No Directors/KMPs/employees were involved in bribery/corruption both, in FY25 and FY 2024 to the best of our knowledge. Hence, no action was taken by any law enforcement agency.	
KMPs		
Employees		
Workers	Not applicable	

6. Details of complaints with regard to conflict of interest:

	FY 2024-25 Current Financial Year		FY 2023-24 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, since no fines, penalties or actions were imposed by regulatory, law enforcement or judicial authorities on cases related to corruption and conflicts of interest. The Company has established policies, processes and monitoring mechanisms to ensure compliance, which are regularly reviewed and updated.

The implementation of these policies is ensured through regular training, communication and awareness-building sessions.

8. Number of days of accounts payables (Accounts payable *365/Cost of goods/services procured) in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Number of days of accounts payable	2.48	1.49

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total sales	-	-
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	As we are a non-banking financial company, this is not applicable.	
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	-	-
	b. Sales (Sales to related parties/Total Sales)	-	-
	c. Loans and Advances (Loans and Advances to related parties/Total Loans and Advances)	-	-
	d. Investments (Investments in related parties/ Total Investments made)	0.001%	0.002%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes.
-	-	-

PFL encourages value chain partners to undertake ESG training and ensure that they are aware of the latest norms and regulations. PFL has finalised a Value Chain ESG Assessment framework in FY 2025. PFL would roll out the assessment covering >75% of its value chain partners (upstream and downstream) in FY 2026. As part of the framework, awareness sessions would be organised for value chain partners in FY 2026.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have implemented processes to avoid/manage conflict of interests involving members of the Board. The details are mentioned below:

- i. Chairmanship of the Board is a non-executive position and separate from that of the Chief Executive Officer and Managing Director. Every Director on the Board is required to make disclosure of his/her interest or concern in other entities (under Section 184 of the Companies Act, 2013 ("Act") as also the parties to which such Director is related to (as under Section 2(76) of the Act and other applicable laws). Such disclosure is required to be made as and when a Director attends first Board Meeting after

- his/her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within thirty days from any change in the disclosure previously given by such director.
- ii. Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and passing of the resolution thereon.
 - iii. We have also put in place necessary mechanisms and have formulated a Policy on Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Act. This Policy provides a framework to ensure proper identification, approval and reporting of Related Party Transactions.
 - iv. All transactions with Related Parties of the Company are previously approved by the Audit Committee of the Company. The Audit Committee also grants Omnibus Approval for Related Party Transactions of a recurring nature. Related Party Transactions, if not in the ordinary course or not at arm's length, are placed before the Board based on the Audit Committee's recommendation for its consideration and approval. If such transactions (which are placed before the Board of Directors) breach the threshold limits prescribed under Section 188 of the Act or if any transaction with a Related Party is material in nature as prescribed under Regulation 23 of the SEBI Listing Regulations, such transactions are also put up before the shareholders for their consideration and approval.
 - v. At the Audit Committee, only the Independent Directors who are members of the Audit Committee, consider and approve the transactions with related parties. At the Board, only those Directors who are not parties to the transaction(s) or arrangement(s) in subject or those who are not interested or concerned therein, participate to consider them. The interested Directors neither participate nor do they vote on the resolution of Related Party Transaction. While seeking Shareholders' approval, no Related Party of the Company, whether party to a particular transaction or not, votes to approve such transaction.
 - vi. The Company has laid down a Code of Conduct for all the Board Members and Senior Executives of the Company including a Code of Conduct for Independent Directors.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	As we are a non-banking financial company, capital expenditure and Research and development expenses are not directed towards technologies that improve environmental and social impacts		
Capex	The company has invested in a new website and mobile App to offer instant personal loan, education loan, consumer durable loan, EMI Card. Additional Loan servicing journeys including chatbot has also been provided to enhance customer service. Customers can now avail an instant personal loan in just 15 minutes by completing the end-to-end digital process.	The Company has successfully completed digital transformation & Phase 2 of technology transformation enabling Digital First products, processes & entire customer journey and now we are evaluating opportunities to finance products that may have impact on the environment and communities. We have also implemented AI based solution for automated calling to customers for their EMI's, Multiple Reminders etc.	-

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	Details of improvements in environmental and social impacts
	The framework on the new website enhances overall customer experience, leverages best in class content management system, enables uptake in website traffic through search engine optimization. Company has invested in various new technologies like Digital Experience Platform, AI based customer engagement and communications, personalization, Digital Collections Platform, etc. The Company has also set up an IT Command Center for 24x7 monitoring of IT Infrastructure, Applications and Digital Services. The company is also implementing Enterprise Data Lake platform, that has helped with data harmonization and identity resolution which will enable the use of multiple AI based algorithm for generating various kinds of reports, MIS, and Dashboards. Use of analytics will enhance customer penetration through digital platforms by providing various insights at data level.		

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Being a non-banking financial company, our direct consumption of consumable and input materials is limited. The primary resource consumption of the Company is printing paper. The Company entered into vendor agreements for procurement of paper and tracks consumption of resources to reduce their wastage.

Above all, the Company also emphasized integrating sustainable practices within the value chain (suppliers and customers) through acceptance of payments through automated clearing house (ACH)/Auto Debit/Digital/online mode which in turn helped the customers in paper less transaction. To avoid further usage of paper, the customer documents are stored digitally.

The Head office is a Platinum certified Green Building. Certified green buildings focus on the use of recycled materials instead of virgin materials. Such materials are certified, have lower carbon footprint and are sourced and used in a sustainable manner with minimal or no adverse effects to the environment. The Company is not tracking the percentage of inputs sourced sustainably.

We have embraced "Go Green" initiative by procuring green energy from Maharashtra State Electricity Board (MSEB) at Corporate office.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company's primary waste products comprise paper waste and electronic waste.

Paper Waste: The Company has minimized paper usage through digital technologies and process optimization. As a non-banking financial company, paper is a major resource consumed. To promote sustainable service delivery, the Company encourages paperless transactions and implements a paper recycling initiative for old printouts. Payments are accepted through electronic modes, reducing the need for paper. Vendor payments are made electronically as well. Various initiatives are in place to reduce paper usage, such as online lead generation, digital customer transactions, an e-learning platform for employees, and SMS updates during loan processing. System-generated reports are no longer printed, and files are processed digitally whenever possible. The Company prioritizes digital storage of documents and communicates with customers primarily via email, SMS, and inbound calls.

Encouraging usage of green chemicals for corporate office and branches to reduce harmful effect on the users and the environment.

Efforts are being made to reduce the usage of paper cups by introducing reusable glasses and cups made up by organic material like rice husk. Tissue papers are replaced with recycled/recyclable paper rolls to curb the usage and wastage.

Discontinued the single use plastic water bottles at regional office to the maximum possible extent.

Enhanced awareness about sustainability among employees through frequent e-mailers, digital content display across the offices and awareness workshops.

During closure/relocation of the branches, scrap is being disposed off through Govt certified green vendors.

E waste: The Company has put in place mechanisms for responsible disposal of waste through authorized third-party vendors. The Company has in place a Policy on process for disposal of E-Waste Items. Further, the device management policy of the Company helps to monitor and repair devices as required.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No).

Being a non- banking financial company, extended producer responsibility is not applicable to our activities.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/ concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent employees										
Male	3183	3183	100	3183	100	0	0	3183	100	797	25
Female	411	411	100	411	100	411	100	0	0	229	56
Total	3594	3594	100	3594	100	411	11.44	3183	88.56	1026	29
	Other than Permanent employees										
Male											
Female	0										
Total											

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

d. Spending on measures towards well being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.21%	0.21%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Funds	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	NA	100%	NA	NA
Others – please specify	0	NA	0	0	NA	0

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, The Company is committed to fostering an inclusive and diverse workplace that upholds the principles of equal opportunity for all individuals, including persons with disabilities. While there are currently no differently abled employees in the company, the Company ensures that its hiring practices are free from discrimination and open to candidates from all backgrounds.

To support this commitment, the Company has proactively made its office premises accessible to prospective employees with disabilities. Key accessibility features include:

- Barrier-free access through ramps and elevators to facilitate mobility.
- Braille and voice-enabled elevators to assist individuals with visual impairments.
- Dedicated restrooms designed to accommodate persons with disabilities.
- Onsite medical support, including nursing and physician consultation, to ensure employee well-being.
- Creche and medical room facilities to support employees with caregiving responsibilities and health needs.

These measures are part of the Company's broader initiative to create a safe, welcoming, and inclusive environment that eliminates barriers and promotes a sense of belonging for all employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company upholds a strong commitment to diversity, equity, and inclusion through its Equal Opportunity Policy, This policy reinforces the Company's dedication to providing a workplace free from discrimination and bias, ensuring fair treatment in all aspects of employment.

In addition, the principles of equal employment opportunity are clearly articulated in the Company's Code of Business Ethics, which is publicly accessible on the official website: Code of Business Ethics – Poonawalla Fincorp.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	53	100%	NA	NA
Female	16	100%	NA	NA
Total	69	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes	
	(If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	The Company enables employees to work without fear of prejudice, gender discrimination and harassment. The Company has zero tolerance towards any non-compliance of these principles. 'Prevention of Sexual Harassment' Policy serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Employees can raise grievances/concern at dedicated email id as mentioned in the policy. Further details can be obtained at https://poonawallafincorp.com/documents/20121/0/POSH-Policy.pdf/0aec60de-7381-d8eb-be20-c5544cb2d1c6 The Company has 'Breach of Integrity and Whistle Blower/Vigil Mechanism Policy. Whistleblower Policy explains the mode of communication for alleged wrongful conduct. Mode of Communication: Email to whistleblower@poonawallafincorp.com or send a complaint at a mentioned postal address. Communicate to the employee or senior management team who can then forward the same to CHRO. The same must then be forwarded to Ethics & Disciplinary Committee. Further details can be obtained at https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc As part of the 'Employee Grievance Redressal Guideline' initiative, employees can raise their concerns by writing to the dedicated email ID: redressal@poonawallafincorp.com. This initiative reflects our organization's commitment to transparency and reinforces our dedication to actively listening to and addressing employee concerns. Employees can report with Multiple Channels – - Email, HR Helpdesk & AI & ML enabled MS Teams Chatbot. - Engagement with Business HR team on a monthly basis to focus on the closure of open queries and resolution of challenges. The Company strives to ensure speedy resolution of grievances through various channels and ensuring confidentiality.
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers

Category	FY 2024-25 Current Financial Year					FY 2023-24 Previous Financial Year				
	Total	On Health and safety measures		On Skill upgradation		Total	On Health and safety measures		On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	3183	3079	96.73	2835	89.07	2065	1176	57.00	1843	89.00
Female	411	397	96.59	371	90.27	319	189	59.00	275	86.00
Total	3594	3476	96.72	3206	89.20	2384	1365	57.00	2118	89.00
Workers										
Male										
Female										
Total										

The Company re-skilled its employees and provided career growth opportunities, micro-learning, on-boarding cum integration, succession planning, talent management and access to real time dashboards.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25 Current Financial Year			FY 2023-24 Current Financial Year		
	Total	No. (B)	% (B/A)	Total	No. (B)	% (B/A)
	(A)			(A)		
Employees						
Male	3183	3183	100	2065	2065	100
Female	411	411	100	319	319	100
Total	3594	3594	100	2384	2384	100
Workers						
Male						
Female						
Total						

10. Health and safety management system:

- a. *Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?*
- Yes, Employees are the key to the growth of any organization. Therefore, their health and wellbeing is also equally important.
- All the offices are provided with fire extinguishers and kept in working condition.
 - At Corporate and Head Offices:
 - Fire detection and firefighting systems are in place integrated with the building management system.
 - An emergency response team (ERT) has been formed to guide the employees in panic situations if any.
 - Fire evacuation drills are being conducted periodically. Training is also provided by an external consultant/party on how to deal with such scenarios.
 - Public announcement (PA) system is in place for any emergency situations.
 - Fire alarm systems are installed at the qualified branches as per norms.
 - Mandatory e learning module for employees' awareness.
- Further, at Head Office creche and medical room facilities are also available and Onsite Nursing and Physician consultation for employees.
- The Company ensures that the workplace is designed with the health and safety of its employees in mind.
- b. *What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?*
- Being Non-Banking Financial Company and considering the nature of business, this is not directly applicable to the Company.
- c. *Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.*
- Not applicable
- d. *Do the employees/workers of the entity have access to non-occupational medical and healthcare services?*

Yes, all employees of the Company are covered under the company's health insurance policy. Employees and their families are covered for hospitalization through Mediclaim cover and annual health check-up is also facilitated for employees. Further, first aid boxes and ambulances are also available for employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Some key initiatives taken by the Company to prioritize employee wellness includes:

- Onsite Nursing and Physician consultation for employees:

Our onsite doctor to provide timely medical assistance, offering essential first-aid support and professional consultations for common health concerns, including headaches, acidity, minor ailments, cough, cold, and seasonal illnesses. This service ensures employees receive immediate care, promoting overall well-being and a healthier, more productive workplace.

- Mental health aside from this one awareness session:

Our Group Medical Coverage (GMC) policy includes enhanced benefits for emotional and mental wellness, with a carved-out amount allocated for employees and their family members to access mental health support services. This reinforces our commitment to holistic well-being, ensuring access to professional care for stress management, counseling, and other mental health needs, fostering a healthier workplace.

- Fun and Fitness activities are conducted:

The Monthly Fun and Fitness activity brought employees together through 24 engaging events across multiple branches in FY 2024-25. By promoting physical activity, mental well-being, and teamwork, the initiative helped create a healthier and more connected workplace. The results show that consistent wellness efforts lead to happier employees.

- Conducted Free health checkup, Dental, Skin and Hair and eye checkup camps:

Regular Health Check-up Camps were conducted across multiple branches, providing BMI screenings, basic blood tests, dental, skin & hair, and eye checkups to promote employee well-being. Additionally, many employees benefited from subsidized health check-ups, doctor consultations, and exclusive medicine offers through DoC Online.

- In the domain of health and wellness of employees,;

Regular Health Awareness Programs, including special sessions on women's health, encourage proactive healthcare and awareness. Paid holiday for employees to encourage full body check up on annual basis.

- For Employees Kids:

The Kids Summer Camp provides engaging activities that foster learning, fitness, and social development for employees' children.

- PFL Tree Planting Initiative – Celebrating Employee Birthdays Through Sustainability:

The PFL Tree Planting Initiative has celebrated employees, birthdays in a meaningful way by planting more than 2,500 trees in FY 2024-25. This initiative not only honors individuals but also creates a lasting environmental impact, generating approximately 210 workdays for local laborers. As these trees mature, they are expected to offset over 51,100 kg of CO₂ annually, contributing to urban sustainability, improving air quality, and fostering a greener future.

- Various safety initiatives are implemented across locations. All the offices are provided with fire extinguishers and kept in working condition.

At corporate office and head office-

- Fire detection and firefighting system is in place integrated with the building management system.
- An emergency response team (ERT) has been formed to guide the employees in the panic situations if any.
- Fire evacuation drills are being conducted periodically. Training is also provided by external consultant/ party on how to deal with such scenarios.
- Public announcement (PA) system is in place for any emergency situations.
- Fire alarm systems are installed at the qualified branches as per norms

13. Number of complaints on the following made by employees and workers

	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	We have not undertaken separate assessment by third party.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Company provides comprehensive insurance coverage to all permanent employees, which includes:

- Group Medical Insurance
- Group Personal Accident Insurance
- Group Term Life Insurance

Under the Group Term Life (GTL) insurance policy, the Company provides life coverage to all employees. In the unfortunate event of an employee's demise, the nominee receives financial support through the life insurance benefit. Additionally, the Company extends future service gratuity, which is a lump-sum amount calculated based on the employee's projected service tenure up to retirement.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
- We communicate our expectation to our business partners and vendors through our service agreements which outlines the need to be in compliance with all relevant regulations.
3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Employees	0	0	0	0
Workers	Not applicable	Not applicable	Not applicable	Not applicable

Note- Response to E11 is 0 and therefore this is not applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)
- The Company recognizes the importance of supporting employees through career transitions, including retirement and separation. While formal transition assistance programs may vary, the Company is committed to facilitating continued employability and smooth career endings through the following initiatives:
- Exit Process and Counseling: Employees undergoing separation are supported through structured exit processes, which may include counseling and feedback sessions.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	We have not undertaken an assessment of value-chain partners.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.
- Not applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
- The various functional teams identify the stakeholder groups relevant to the work and discussions are conducted at senior management levels to include the groups. For example, across the value chain, some of the key stakeholders identified are customers, communities, NGO partners, suppliers and third parties etc.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	- Regulatory filings - Newspaper advertisements/publications for various regulatory matters. - Meetings - Letters - E-mails	- Quarterly - Need based	- Compliance with filing and other regulatory compliance. - Keep various regulatory authorities informed and up to date about the various developments going on in the organization to fulfill the compliance requirement.
NGOs and local community	No	- Meetings - Proposal and request for new CSR initiatives.	Need based	Community development need, focus area viz., education, Sports and health care.
Employees	No	- Induction programs (Parambh) - Rewards and recognition programs - People engagement initiatives - Townhalls - E-mails (Internal Communications), Newsletter, Website, Notice Board - WhatsApp	- New joiner Day 1 till 60 days of joining - For all it's Quarterly - Half yearly - Need based	- It helps us in educating all our employees on various policies and procedures. - Keep our employees up to date on various initiatives of the organization - Training and career development of employee - Townhall helps building trust, prioritize transparency, integrity & promote open communication.
Customers	Not applicable	- Call center - Customer grievance cell, - Customer helpline - Customer satisfaction survey - Branch office - Smartphone, - E-mail - Website - Social media channels	- Ongoing - Need based	- Needs of customer - Customer experience and service quality - New products and policies, any revision in existing policies/guidelines for products, queries & services.
Suppliers	No	- E-mail, - Phone calls - Virtual meetings - One on one meetings	- Ongoing - Need based	Contract, commercial and terms and condition.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Website Emails Letters Media Meetings/Investor Calls Analyst Presentations	Annual and Quarterly Need based	Financial Result Providing relevant information, progress of the company, various initiatives, and roadmap
Shareholders	No	Website E-mails Letters Newspaper publication Shareholder meetings	Annual and Quarterly Need based	Financial Result Shareholders return and dividend Key business development
Media	No	Newspaper Pamphlets Social media channels Website Press Meet Media Events Management Interviews Industry stories.	Need based	Latest developments and initiatives of the company about business expansion, financial results, leadership interviews, posts on social media regarding various products as well as occasions/festivals, media events and sponsorships, etc.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The company engages with stakeholders through internal and external platforms to share updates on developments, financial results, policies, and organizational initiatives. This is achieved through press releases, press meets, leadership interviews, industry stories, internal newsletters, and the company's own platforms, including its website and social media handles.

The Company actively engages with stakeholders to enhance performance and create value for the ecosystem and its own operations. The methods of consultation vary depending on the stakeholder group.

For shareholders and investors, the Company utilizes earnings calls, conferences, quarterly meetings, annual general meetings, and grievance channels. While sustainability discussions have emerged recently, the focus remains on strategy and performance.

Customer consultations take place through surveys and social media, covering topics such as customer service, complaints, new products, community involvement, and more.

Employee engagement is a top priority, with various platforms and communication channels utilized. This includes addressing complaints and concerns, providing feedback and evaluations, sharing news through internal newsletters and emails, conducting town hall meetings, and organizing awareness programs. Feedback received is recorded as meeting minutes and discussed by function heads and senior management for possible implementation. For dissemination of organization-level information to the employees, the employee connect framework was modified. Through this the mechanism to connect the branch employees with the HR team, conduct townhalls with the Functional Heads were practiced. This process allowed the Company to acknowledge the challenges faced by the employees, provide resolutions and allow discussion with the senior members of the organization.

- The business HR team conducts monthly consultation with the employees by focusing on open queries and putting efforts into resolving them. To further strengthen employee connect, the Company has partnered with third party to provide an AI-based platform through which the employees can stay connected.
- The feedback received from the stakeholders is discussed and suitable actions have been taken towards enhancing our practices.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the engagement with communities and beneficiaries is mostly in the form of focused group discussions and their feedback on the CSR programs is considered and implemented as appropriate. We have instituted ESG policy that outlines our commitment for each of the focus areas identified by us.

The discussion of employees with HR and team leads has also helped the Company to incorporate activities such as employee wellbeing programs, taking cognizance of environmental initiatives (saving electricity, water etc.). We have instituted Equal Opportunity policy and other employee related policies and practices to promote a fair workplace.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

To avoid spreading false information about the organization, whenever journalists or media outlets ask questions or have queries, the Company immediately reviews them and responds. The Company also engages with the media to keep stakeholders updated about the Company. The Company thinks that the unbanked and underbanked people in urban India are less likely to integrate into India's mainstream economy, which makes them vulnerable to socioeconomic exploitation. Through its CSR initiative, the Company aims to improve the lives of underprivileged individuals, and all the CSR projects aims to address the concerns of marginalized stakeholder groups and promote society's holistic development. For further detail on our CSR programmes please refer annual CSR report.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (A)	No. of employees/ workers covered (B)	% (B/A)
Employees						
Permanent	3594	3594	100	2384	2384	100
Other than permanent	Not applicable			Not applicable		
Total employees	3594	3594	100	2384	2384	100
Workers						
Permanent						
Other than permanent	Not applicable					
Total workers						

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	3594	NA	NA	3594	100	2384	NA	NA	2384	100
Male	3183	NA	NA	3183	100	2065	NA	NA	2065	100
Female	411	NA	NA	411	100	319	NA	NA	319	100
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

A. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹Cr)	Number	Median remuneration/salary/wages of respective category (₹Cr)
Board of Directors (BoD)	6	0.53	2	0.64
#Key Managerial Personnel	3	4.93	1	1.10
Employees other than BoD and KMP	3180	0.09	410	0.07
Workers	NA	NA	NA	NA

#The Company has 4 KMPs out of which 2 are Directors. The data is available in Annexure 4 to Boards Report.

KMP includes : MD & CEO, ED, CFO and CS

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	9.43%	8.92%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)
- Yes.
- The Code of Conduct for employees covers all ethical and responsible business. Ethics and Disciplinary Committee oversees every aspect of regulatory and employee disciplinary matters. The committee also oversees, among other things, any allegations of human rights violations within the Company.
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
- The Company has a defined “Whistleblower” mechanism to ensure that any violations to its Code of Conduct and Code of Business Ethics (including violation of human rights) are raised in a systematic, fair manner and without any fear of consequence. Further, any other concerns or grievances on discrimination, harassment, unethical behavior or dealings can be reported by the employees in accordance with the process explained in Whistleblower Policy, human resource manual and the code of conduct.

The training for the Code of Conduct is part of the onboarding process for new employees. Every year, all employees are required to complete the Code of Conduct learning programme and pass the post-training exam. It is a standard practice to conduct awareness campaigns highlighting scenario description and implications to educate employees on appropriate behaviour in the workplace and ways to express concerns.

The complaints of sexual harassment are dealt with by the Internal Committee (“IC”). The complainant may submit a complaint in writing and inform any IC member. In case of a complaint against any member of the IC, the complaint can be made to the IC and the alleged member would be replaced by another member appointed by the IC for the investigation period. Any of the IC members at the workplace must receive a detailed complaint from the complainant, along with any available documentary evidence or witness names.

The Ethics and Disciplinary Committee is the final authority to make decisions based on the Company's Code of Conduct and Discipline Rules in the event of a Protected Disclosure regarding disciplinary or workplace harassment concerns.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-25 Current Financial Year			FY 2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	-
Discrimination at workplace	0	0	0	0	0	-
Child Labour	0	0	0	0	0	-
Forced Labour/Involuntary Labour	0	0	0	0	0	-
Wages	0	0	0	0	0	-
Other human rights related issues	0	0	0	0	0	-

7. Complaints filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
- The Company has established robust mechanisms to safeguard complainants in cases of discrimination and harassment, ensuring they do not face any adverse consequences. These include confidential reporting channels, a strict non-retaliation policy, impartial investigations, access to support services, and ongoing monitoring to prevent indirect retaliation. Additionally, regular training and awareness programs reinforce a respectful and inclusive workplace culture, empowering employees to report concerns without fear.
- In compliance with regulatory requirements, a Vigil Mechanism Framework is in place, not only ensuring a structured process for reporting issues without fear of retaliation but also protecting employees from unfair prejudicial employment practices.
9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)
- Vendor contracts and service agreements include specific clauses requiring the Service Provider to comply with all applicable labor laws in relation to their employees. These provisions reflect the Company's commitment to upholding human rights and ethical labor practices across its value chain.

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Being a non-banking financial company, we undertake proactive measures to safeguard human rights, we have however not undertaken a dedicated human rights assessment.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.
- Not applicable

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.
- We respect the human rights of all our stakeholder and ensure adherence with applicable laws. There have not been any significant complaints or grievances regarding human rights that merit the addition or modification of business procedures.
2. Details of the scope and coverage of any Human rights due diligence conducted.
- We have not conducted any human rights due diligence.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
- Yes, the Company welcomes differently abled visitors and makes no discrimination against them in their reception. To ensure the differently abled visitors also feel safe and comfortable, the Corporate Office & Head office is made accessible by providing ramps for wheelchairs. Additionally, separate washroom, Braille enabled, and voice assisted elevators are also provided for easy access. The Company may also have differently abled employees in the near future and therefore the infrastructure has been designed accordingly.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	We have not undertaken assessment of value chain partner.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.
- Not applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
From Renewable Sources#		
Total electricity consumption (A)	182.56 GJ	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from Renewable Sources(A+B+C)	182.56 GJ	-
From Non-Renewable Sources#		
Total electricity consumption (D)	12607.77 GJ	5555.61 GJ
Total fuel consumption (E)	371.23 GJ	19.44 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from Non-Renewable Sources(D+E+F)	12979.00 GJ	5575.05 GJ
Total energy consumed(A+B+C+D+E+F)	13161.56 GJ	5575.05 GJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from Operations)	0.0000003116 GJ/INR Cr*	1.77 GJ/₹ Cr
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from Operations adjusted for PPP)	0.000006439 GJ/USD*	39.62 GJ/USD
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	3.6620	-

or PPP, 20.66 National currency units/US dollar have been used. Source: IMF (2025), Purchasing power parities (PPP) (indicator). (Accessed on 13 June 2025)

*Calculation approach has been revised for FY 2024-25

#For the current reporting year FY 2024-25, data for Corporate Office, Head Office & 101 Branch Offices is being considered.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken independent assessment.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
- This is not applicable to us as we do not have sites or facilities identified as designated consumers.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water Withdrawal by source (in kilolitres)*		
(i) Surface water	-	-
(ii) Groundwater	9013.33	10,046.05
(iii) Third party water (Municipal water supplies)	288131.79	5,221.37
(iv) Seawater/desalinated water	-	-
(v) Others	203.18	215.94
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	297348.30	15,483.36
Total volume of water consumption (in kilolitres)	297348.30	15,483.36
Water intensity per rupee of turnover (Total Water consumption/Revenue from Operations)	0.0000070414 KL/INR Cr	4.91 KL/₹ Cr
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumption/Revenue from Operations adjusted for PPP)	0.0001454759 KL/USD	110.04 KL/USD
Water Intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	82.73 KL/FTE	-

For PPP, 20.66 National currency units/US dollar has been used. Source: IMF (2025), Purchasing power parities (PPP) (indicator). (Accessed on 13 June 2025))

*Calculation approach has been revised for FY 2024-25

For the current reporting year FY 2024-25, data for Corporate Office, Head Office & 101 Branch Offices is being considered.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Even though the nature of its business—being a non-bank financial company has little effect on the environment, the company constantly strives to reduce its environmental impact by figuring out how to maximize resource consumption in its operations. Additionally, the water is only used for basic consumption.

4. Provide the following details related to water discharged

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
Total Water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (Y/N) If yes, name of the external agency.

Not applicable.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We do not have a mechanism for zero liquid discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	-	Not applicable	Not applicable
SOx	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter #	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ² , CH ⁴ , N ² O, HFCs, PFCs, SF ⁶ , NF ³ , if available)	tCO ₂	347.10	14.73
Total Scope 2 emissions (Break-up of the GHG into CO ² , CH ⁴ , N ² O, HFCs, PFCs, SF ⁶ , NF ³ , if available)	tCO ₂	2545.49	1251.93
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover(Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations)	tCO ₂ /₹	0.000000068*	0.40
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations adjusted for PPP)	tCO ₂ /USD	0.000001415*	9.00
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.80	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

For PPP, 20.66 National currency units/US dollar has been used. Source: IMF (2025), Purchasing power parities (PPP) (indicator). (Accessed on 13 June 2025)

*Calculation approach has been revised for FY 2024-25

#For the current reporting year FY 2024-25, data for Corporate Office, Head Office & 101 Branch Offices is being considered.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken any independent assessment.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Yes
- The Company has taken the following initiatives to reduce the greenhouse gas emissions:
- Awareness generation among the employees to conserve and responsibly use electricity.
 - Reduction of usage of energy (through installation of LED bulbs, energy efficient electrical equipment and retrofitting LED lights in branch offices.)
 - E-waste management and handling, distribution of sapling and paper conservation (e.g. both side printing, re-use of papers, PIN based controlled printing) and paper waste recycling.
 - The Head office is in a Platinum certified green building.
 - We have embraced “Go Green” initiative by procuring green energy from MSEB at Corporate office.
 - The Company has managed all the electrical equipment in a manner so that they help to conserve energy. The Company has initiated installation of LED lights in new and upcoming branches wherever possible. The Company is also in the process of replacing existing lights with LED lights in a phased manner.
 - Energy consumption would reduce as a result of these initiatives, either directly or indirectly. Energy conservation would significantly contribute to the mitigation of global warming in our nation due to the predominant use of fossil fuels for energy production, which results in greenhouse gas emissions and climate change.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Waste generated (in metric tonnes)#		
Plastic waste (A)	0.00	0.147
E-waste (B)	1.760	3.615
Bio-medical waste (C)	0.559	0.651
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	22.95	0.627
Total (A+B + C + D + E + F + G + H)	25.269 MT	5.04 MT
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.000000005984 MT/INR Cr*	0.02 MT/₹ Cr
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.00000001236 MT/USD*	0.03 MT/USD
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	0.007030885	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	21.41	-
(ii) Re-used	1.54	0.396
(iii) Other recovery operations	0	-
Total	22.95	0.396

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		-
(i) Incineration	0.559	0.651
(ii) Landfilling	0	-
(iii) Other disposal operations	-	3.993
Total	0.559	4.644

For PPP, 20.66 National currency units/US dollar has been used. Source: IMF (2025), Purchasing power parities (PPP) (indicator). (Accessed on 13 June 2025)

*Calculation approach has been revised for FY 2024 - 25

#For the current reporting year FY 2024-25, data for Corporate Office, Head Office & 101 Branch Offices is being considered.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken independent assessment, being a non-banking financial company and considering the nature of business, this has little effect on the environment, the Company constantly strives to reduce its environmental impact by reducing waste.

10. Briefly describe the waste management practices adopted in your establishments.

Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Paper and e waste are the predominant categories of waste generated from the operations of the Company and the Company has adopted various management practices to ensure the quantum of waste generated is reduced gradually and awareness is also created within the organization to manage the wastes in an efficient manner.

Paper Waste: The Company has reduced the use of paper by optimizing its processes through digital technologies and process excellence. Because of the nature of its services, the major resource consumed at the Company is paper. The Company contributes towards sustainable service delivery through paperless transaction. The Company has a paper recycling initiative in terms of re-usage of old printouts which are no longer required and also monitor consumption of paper. Above all, the Company accepts payments through ACH/Auto Debit/Digital/online mode which in turn helps the customers in paper less transaction. All payments to vendors are through NEFT/RTGS mode thereby reducing the usage of paper. The Company ensures reduction of paper usage through various initiatives viz. leads are generated online with customer related data, online system to record customer related transactions, e-learning platform for knowledge sharing/enhancement of employees, customers are updated through SMS during loan processing at every stage till sanction. Other important initiatives launched in previous year is discontinuation of printing of system generated reports and facility for uploading system generated reports which helped in restricting usages of paper, ink cartridges, fuel for transportation. Business units are working towards paper-less processing of loan files and avoid taking paper printouts as much as possible. We are promoting storage of documents digitally. The Company is conscious about usage of paper and saving trees. Statements & Reports, Welcome Letter, Statement of Account, Foreclosure, No Objection Certificate etc. is primarily sent to customers via e-mail. Loan details and related information is provided to customers via email/ Inbound Call, Regular proactive communication: SMS, Whatsapp and email. Discontinued the single use plastic water bottles at regional office to the maximum possible extent.

E waste: The Company has put in place mechanisms for responsible disposal of waste through authorized third-party vendors. The Company has in place a policy and process for disposal of E-Waste Items. Further, the device management policy of the Company helps to monitor and repair devices as required.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
We do not have any operations/offices in/around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
We do not undertake any project that required EIA.					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
We are in compliances with the current set of guidelines established by the government.				

Leadership Indicators

- a) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
- For each facility/plant located in areas of water stress, provide the following information:
- (i) Name of the area: Not applicable
- (ii) Nature of operations: Not applicable
- (iii) Water withdrawal, consumption and discharge in the following format: As we are a non-banking financial companies, this is not applicable to our activities.

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)		
Water withdrawal by source (in kilolitres)				
(i) Surface water	NA	NA		
(ii) Groundwater				
(iii) Third party water				
(iv) Seawater/desalinated water				
(v) Others				
Total volume of water withdrawal (in kilolitres)				
Total volume of water consumption (in kilolitres)				
Water intensity per rupee of turnover (Water consumed/turnover)				
Water intensity (optional) – the relevant metric may be selected by the entity				

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ² , CH ₄ , N ² O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	Business Travel - 869.31	-
		Employee Commute - 2631.56	
		Business Loan - 214261.48	
		Owned Car - 32382.54	
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/INR	5.9237	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e	250250.81	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have not undertaken Independent assessment.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
- Not applicable
4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Installation of LED bulbs, energy efficient electrical equipment and also retrofitting LED lights in branch offices	Implemented across all offices	This has reduced electricity consumption of the Company
2.	Green Power	Procuring green energy from MSEB at Corporate office.	Reduction in use of carbon intensity, conventional power reducing carbon footprint

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes. The Company has implemented a comprehensive Business Continuity Management System (BCMS) as outlined in its Business Continuity Management Policy. This system ensures the recovery of critical business processes and services in the event of disruptions that may impact stakeholders and customers. Contingency measures have been established to protect essential resources such as people, technical infrastructure, facilities, and vital records.

The BCMS Policy governs the Company's emergency response, resumption, recovery, and restoration procedures during a disaster. It outlines the overall Business Continuity practice, including individual and functional responsibilities necessary to ensure business continuity and minimize financial and non-financial impacts in the event of a critical service disruption.

The BCMS at the Company covers departments located at the corporate office, Branch Locations. Business Continuity for Infrastructure-as-a-Service (IaaS)/Software-as-a-Service (SaaS) Applications/Platform-as-a-Service (PaaS) is managed either by the IaaS/SaaS/PaaS Vendor or as per contractual agreements. Critical application identification and annual testing for Business Continuity are conducted to maintain the effectiveness of the BCMS.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not applicable

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

PFL has finalised a Value Chain ESG Assessment framework in FY 25. PFL would roll out the assessment covering >75% of its value chain partners (upstream and downstream) in FY 26. As part of the framework, awareness sessions would be organised for value chain partners in FY 26.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations. 5
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	The Associated Chambers of Commerce & Industry of India	National
2	Confederation of Indian Industry (CII)	National
3	Finance Industry Development Council (FIDC)	National
4	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
5	Indian Banking Association (IBA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken

There have been no action or issues related to anti-competitive conduct and no adverse orders from any authority during the FY 2024-25.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available

The Company has taken annual membership of FICCI, FIDC, IBA CII and ASSOCHAM but has not been associated in formulating any such policies, strategies, etc. at any level. PFL as an NBFC may have given its comments or recommendations on certain draft policies, circulars, etc. as and when asked by RBI from all NBFCs wherever applicable.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Currently, the same is not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
The company has not undertaken which requires Rehabilitation and Resettlement (R&R)						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company is dedicated to making a positive impact through its Corporate Social Responsibility (CSR) initiatives. These initiatives are focused on improving the lives of underprivileged individuals and fostering their overall well-being. To ensure effective implementation, the Company's CSR team actively engages with communities, an important stakeholder group. This engagement serves as a platform for open communication, allowing the team to understand the concerns and gather feedback from the community. This feedback helps in shaping and refining the projects that address social and environmental issues, ensuring their relevance and effectiveness in creating a meaningful impact.

Concerns or questions regarding the CSR programmes are required to be addressed at csr@poonawallafincorp.com

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Directly sourced from MSMEs/small producers	30.80%	24.46%
Sourced directly from within the district and neighboring districts	99.76%	99.73%

5. Job Locations in small towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contractual basis) in following locations, as % of total wages cost.

	FY 2024-25 Current Financial Year	FY 2023-24 Previous Financial Year
Rural	-	-
Semi-Urban	6.36%	4.46%
Urban	16.09%	16.81%
Metropolitan	77.55%	78.72%

(Place to be categorized as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: N.A.

Sr. No	State	Aspirational District	Amount spent (₹)
-	-	-	-

The CSR projects are state level and not categorized as per Aspirational District

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

Being a non-banking financial company, we do not require substantial input material for our business.

(b) From which marginalized/vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Sindola sports Foundation	100	35%
2	Grant Medical Foundation#	10,439 Patients	26.99 %

Over its lifespan, Cardic CT Scan (Medical Equipment) will create significant social returns to the patients, their family members and indirectly to the society at large by reducing impacts of life threatening cardiac and other diseases requiring advanced scanning equipments.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

b) Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have in place a grievance redressal policy consisting of robust customer grievance redressal mechanism. The Company employs various strategies to effectively address customer complaints and enhance their satisfaction:

Efficient Processes: By leveraging data analytics and technology-driven solutions, the Company streamlines complaint resolution processes. It focuses on resolving complaints within agreed Service Level Agreements (SLAs), classifying them based on case type and subtype. This ensures timely and targeted actions for effective resolution.

Continuous Improvement: The Company conducts regular forums, such as the Complaints RCA Forum, to identify and address key process gaps. It proactively monitors call quality, conducts repeat call analysis, and empowers frontline teams to efficiently handle customer requirements. Through rigorous training programs, the Company ensures high service quality standards and promotes a proactive approach to identify and resolve potential escalations or grievances.

Enhancing Customer Experience: The Company is committed to delivering a differentiated customer experience by implementing the following measures:

Digital Engagement: Leveraging digital channels, the Company proactively connects with customers throughout their lifecycle journey. Approximately 75% of customer queries and requests are serviced digitally, allowing for swift and smooth resolution of concerns. This digital connect helps in timely communication and enhances overall customer experience.

Robust Internal Systems: The Company continuously enhances its internal systems through system upgrades, process re-engineering to ensure a competitive edge and provides seamless Experience to customers. The implementation of a Fair Practice Code facilitates setting of proper guardrails to ensure fair lending practices giving proper and enhanced visibility to end customers from loan initiation till closure, further building consumer trust on the brand.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2024-25 (Current Financial Year)		Remarks	FY 2023-24 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

The complaint categories are predefined internally and we currently do not have specific categories for advertising, Restrictive Trade Practices and Unfair Trade Practices. The total number of all customer complaints is mentioned under Section A of the BSRR disclosure.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls	Not applicable	

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a board approved Cyber Security Policy in place at organization level. The Company also has a Privacy policy, Information Security Policy, IT Management Policy, Information & IT Risk Management Policy and Cloud Adoption Policy

[Consumer Awareness - Cyber Threats and Frauds](#)

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.

Not applicable, no breaches reported during the year under review.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact if any of the data breaches: Not applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

Poonawalla Fincorp is an omnipresent financial organization allows both current and prospects to interact, do business, and receive services from online and offline mode. In the online mode the products and services are available through the website(www.poonawallafincorp.com) and in offline world through our branch network. Apart from these various other channel which are available for finding information about our products and services are our Toll Free contact center, chatbot services on the website, WhatsApp and e-mail channel.

These platforms can be used to apply for loan products, request for services or raise queries. The digital channels make the services accessible 24*7 and provides instant response to the customers.

The products and services of the Company can be accessed [here](#).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The important terms and conditions provides extensive information and ensures transparency on lending products. Further the [customer education webpage](#) on the Company website also provides information related to special mention accounts (SMA)/non performing asset (NPA) as prescribed by the regulations. The [Blogs](#) page and Fraud Awareness page on the website is a major step taken by the Company to educate the customers about the meaning and definitions of various financial terms in simple language. Such blogs are published under the various category of products and services that are offered by the Company so that it also becomes relatable to the customers.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Customers are notified via SMS in advance of planned maintenance tasks. Customers are notified via text message in the event of an unanticipated disruption, and all the offices are also informed via an internal mechanism that directs customers who approach the offices.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not applicable

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

The Net Promoter Scores (NPS) serves as a reliable measure of customer loyalty. This survey is conducted monthly by the Company.

Customer feedback is obtained at four crucial touchpoints: sales, onboarding, service, and exit. The results of the NPS survey guide efforts to enhance the customer experience through process reengineering. Additionally, customer demand is assessed to develop personalized offers for clients with a strong payment history, using algorithm-based approaches.

For and on behalf of the Board

Arvind Kapil
Managing Director and Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date April 25, 2025

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date : April 25, 2025

INDEPENDENT AUDITOR’S REPORT

To the Members of

POONAWALLA FINCORP LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **Poonawalla Fincorp Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on the separate financial statements of PFL Employee Welfare Trust (‘the Welfare Trust’), the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Key audit matters
Allowance on Expected credit losses (ECL) on loan assets
Indian Accounting Standard 109 - Financial Instruments (‘Ind AS 109’) requires the Company to provide for impairment of its financial assets using the expected credit loss (‘ECL’) approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company’s financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events.
As at March 31, 2025, the Company has reported gross financial assets (loans) aggregating to ₹ 33,637.37 crores against which provision for expected credit loss of ₹ 942.41 crores has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments (‘Ind AS 109’). The Company has written off (net of recoveries) ₹ 1,279.90 crores during the current year.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Financial Statements’ section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and on consideration of the audit report of other auditor referred to in the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

How our audit addressed the key audit matter
Our audit procedures in respect of this matter included the following, but not limited to:
- Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company. - Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculations, validation of data and monitoring of impairment loss recognised based on historical and external data. - Tested the modelling assumptions and inputs which are based on industry experience (new products) as collated by external credit bureau in line with the Company’s ECL policy. While for remaining loan portfolio, since modelling assumptions and parameters are based on historical data, assessed whether historical experience was representative of current circumstances and was

Key audit matters	How our audit addressed the key audit matter
The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: - Segmentation of loan book in buckets based on common risk characteristics; - Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3); - factoring in future macro-economic and industry specific estimates and forecasts; - past experience and forecast data on customer behaviour on repayments; - varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. The Expected Credit Loss (‘ECL’) is measured at 12- month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.	relevant in view of the recent impairment losses incurred within the portfolios. - Verified the completeness of loans included in the ECL calculations as of March 31, 2025. - Selected samples and verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. - Selected samples of exposure and verified the appropriateness of determining EAD, PD and LGD. Further, also checked the appropriateness of information used in the estimation of PD and LGD for the different stages depending on the nature of the portfolio. - Evaluated the appropriateness of the Company’s determination of significant increase in credit risk in accordance with the applicable Ind AS and the basis for classification of various exposures into various stages. For a sample of exposures, also tested the appropriateness of the Company’s categorization across various stages; - Obtained the management’s rational for writing off the loans during the current year and tested for appropriate management approvals in line with approved write off policy. - Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 50 “Financial risk management” disclosed in the accompanying standalone financial statements in accordance with the applicable accounting standards and related Reserve Bank of India (‘RBI’) circulars.
The management has calculated the PD and LGD as follows: - For new products launched from time to time and where the Company does not have sufficient historical data to estimate PD, the Company has engaged external leading credit bureau and accordingly PD rates have been considered based on industry data sourced from the aforesaid credit bureau. - For the remaining portfolio, the Company continues to use their existing internally developed modelling techniques using historical observable data and inputs to estimate PD and LGD. Refer note 2(h) of material accounting policies, Note 7 for the details of provision and Note 50 (ii) for credit risk disclosures.	
Considering the significance of the above matter to the standalone financial statements, significant level of estimates and judgements involved in determination of ECL and write offs, this matter required our significant attention. Accordingly, we have determined Provision for Expected Credit Losses (ECL) on Loans as Key Audit Matter.	
Information Technology (‘IT’) Systems and Controls for accounting and financial reporting process:	Our audit procedures in respect of this matter included the following, but not limited to:
The Company is dependent on its information technology (‘IT’) systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment.	- Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls to determine the accuracy of the information produced by the Company’s IT systems. - Obtained an understanding of the Company’s IT applications, databases and operating systems relevant to financial reporting and the control environment, including an understanding of the process, mapping of applications and understanding financial risks posed by people process and technology.
Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of IT systems across varied different phases of business, the testing with respect to general computer controls of the IT systems used in financial reporting was identified to be a key audit matter.	

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Further, the Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses several systems for its overall financial reporting. In addition to it, large transaction volumes and the increasing challenges to protect the integrity of the Company's systems and data, we have identified 'IT systems and automated controls' as key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	• Tested IT General Controls particularly, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Company's periodic review of access rights; inspected; requests of changes to systems for appropriate approval and authorization • Performed procedures for a selected group of key controls over financial and reporting system to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Tested key automated and manual business cycle controls including testing of alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements. • Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE/ BOARD OF TRUSTEES FOR THE STANDALONE FINANCIAL STATEMENTS

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

In preparing the standalone financial statements, the Management and Board of Directors of the Company and Trustees of the Welfare Trust are responsible for assessing the Company's/ Welfare Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/ Trustees of the Welfare Trust either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Trustees of the Welfare Trust are also responsible for overseeing the Company's/Welfare Trust's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

OTHER MATTERS:

- (a) We did not audit the financial statements of the Welfare Trust included in the standalone financial statements of the Company whose financial statements reflects total assets of ₹ 184.56 crores as at March 31, 2025, total revenue of ₹ 0.59 crores, net loss after tax of ₹ 77.55 crores, and net cashflows of ₹ 2.32 crores respectively for the year ended on that date, as considered in the standalone financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management. These financial statements have been prepared in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021. The Company's management has converted these financial statements to accounting principles under Ind AS as applicable to the Company. We have audited these conversion adjustments

made by the Company's management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosure included in respect of the Welfare Trust, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Welfare Trust, is based solely on the report of the other auditor and conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

- (b) The standalone financial statements of the Company for the year ended March 31, 2024 was audited by Walker Chandiok & Co LLP, one of the previous joint auditors of the Company, whose report dated 29 April 2024 expressed an unmodified opinion on those standalone financial statements.

Our opinion is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the

INDEPENDENT AUDITOR'S REPORT

- Accounting Standards specified under Section 133 of the Act;
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3) (b) and paragraph 2h(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C"; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 48 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 48 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by

the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account (managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility and the same has operated
- throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention except for one accounting software wherein the audit
- trail logs have been preserved effective June 26, 2024. Refer Note 55 (j) for audit trail disclosure in the standalone financial statements.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
- For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No: 105215W/W100057
- Sandeep D. Welling**
Partner
Membership No.: 044576
UDIN: 25044576BMKQXF8783
- Place: Mumbai
Date: April 25, 2025
- For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W
- Vikram Dhanania**
Partner
Membership No.: 060568
UDIN: 25060568BMJJQG1477
- Place: Mumbai
Date: April 25, 2025
- 234 | POONAWALLA FINCORP LIMITED
- Annual Report 2024-25 | 235

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Welfare Trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company of which we are the independent auditors. For the Welfare Trust included in the standalone financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No: 105215W/W100057

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXF8783

Place: Mumbai
Date: April 25, 2025

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQG1477

Place: Mumbai
Date: April 25, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors' Report]

- The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right of use assets.
 - The Company has maintained proper records showing full particulars of intangible assets.
 - Property, plant and equipment, investment property and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment, investment property and right of use assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the standalone financial statements, are held in the name of the Company, except for the following immovable property:

Sr. No.	Description of property	Gross carrying value (₹) crores	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
1	Investment Property	0.09	Gouri Shankar Rajgarhia and Om Prakash Rajgarhia	No	Since July 2004	Disputed

- According to the information and explanations given to us, the Company has not revalued its property, plant and equipment including right of use assets and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
 - According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
 - During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of accounts of the Company.
- The Company's principal business is to give loans and is a registered Non-Banking Finance Company ('NBFC'). Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company.
 - According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the guarantee provided, security given, investments made and terms and conditions in relation to grant of all loans and advances in the nature of loans, are not prejudicial to the interest of the Company, wherever applicable.
 - The Company, being a Non-Banking Financial Company, is registered under provisions of the Reserve Bank of India Bank, 1934 and rules made thereunder. In pursuance of its compliance with provisions of the said Act / Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayment schedules are stipulated basis the nature of the loan products. In respect of loans and advances in the nature

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2025

- of given where repayment or receipts are irregular, given the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, dates for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) - Refer Note 50 to the standalone financial statements.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days, for the loans and advances in the nature of loans, are as follows:
- | No. of Cases | Principal amount overdue
(₹ in Crore) | Interest overdue
(₹ in crores) | Total overdue
(₹ in crores) | Remarks, if any |
|--------------|--|-----------------------------------|--------------------------------|---|
| 35,526 | 97.13 | 41.71 | 138.84 | The Company has taken reasonable steps as per the policies and procedures of the Company for recovery of such principal and interest amounts overdue. |
- e. The Company's principal business is to give loans and it is a registered NBFC, accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.
- f. According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 ("the Act") either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made during the year. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security, wherever applicable.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for products/services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. a. According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us and the records examined by us, dues relating to goods and services tax, income tax, value added tax and service tax which have not been deposited as on March 31, 2025 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ in crores	Amount Paid ₹ in crores	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.01	0.01	2009-10	Commissioner of Income Tax (Appeals)
		1.27	1.00	2014-15 to 2016-17	Commissioner of Income Tax (Appeals)
		0.21	0.21	2017-18	Commissioner of Income Tax (Appeals)
		0.16	0.16	2018-19	Commissioner of Income Tax (Appeals)
		0.89	0.89	2019-20	Commissioner of Income Tax (Appeals)
		0.11	0.11	2020-21	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	10.22	4.04	2002-03 to 2006-07	High Court, Kolkata
Finance Act, 1994	Service Tax	1.85	-	2010-11 to 2013-14	High Court, Kolkata
Madhya Pradesh Value Added Tax Act, 2002	VAT	1.34	-	2008-09 to 2009-10	Madhya Pradesh High Court, Jabalpur
Delhi Value Added Tax Act, 2004	VAT	0.01	-	2014-15	Special Commissioner
Haryana VAT Act	VAT	4.36	-	2013-14	Punjab and Haryana High Court
WBCGST Act	GST	0.61	0.10	2017-18	High Court, Kolkata
WBCGST Act	GST	0.98	0.05*	2017-18	Appeal to Appellate Authority
WBCGST Act	GST	0.01	-	2017-18	Appeal to Appellate Authority
Odisha GST Act	GST	0.01	0.01	2019-20	Appeal to Appellate Authority

*Paid subsequently on April 25, 2025

- There are no dues relating to provident fund, employees' state insurance, duty of customs, duty of excise, cess and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. a. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 21(e) to the standalone financial statements.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e. According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2025

- entity or person on account of or to meet the obligations of its joint venture. The Company does not have any subsidiary.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. a. In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a. Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- b. During the year, no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as Non-Banking Financial Institution.
- b. The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- d. The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

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

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in Schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with Schedule VII to the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXF8783

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQG1477

Place: Mumbai
Date: April 25, 2025

Place: Mumbai
Date: April 25, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report of even date to the Members of Poonawalla Fincorp Limited on the Standalone Financial Statements for the year ended March 31, 2025

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

We have audited the internal financial controls with reference to standalone financial statements of Poonawalla Fincorp Limited (“the Company”) as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’).

MANAGEMENT’S AND BOARD OF DIRECTOR’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section

143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial

statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXF8783

Place: Mumbai
Date: April 25, 2025

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQG1477

Place: Mumbai
Date: April 25, 2025

Balance Sheet

as at March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
1. Financial assets			
Cash and cash equivalents	3	24.65	255.18
Bank balances other than cash and cash equivalents	4	7.64	13.36
Derivative financial instruments	5	2.82	-
Receivables	6		
(i) Trade receivables		18.39	22.39
(ii) Other receivables		0.32	6.27
Loans	7	32,694.96	22,046.41
Investments	8	1,341.63	878.33
Other financial assets	9	182.19	257.81
		34,272.60	23,479.75
2. Non-financial assets			
Current tax assets (net)	10	141.51	171.70
Deferred tax assets (net)	11	205.48	163.42
Investment property	12	0.07	0.07
Property, plant and equipment	13	55.01	59.78
Intangible assets under development	14	10.43	0.26
Other intangible assets	15	16.41	17.00
Right of use assets	16	172.31	117.35
Other non-financial assets	17	105.42	26.87
		706.64	556.45
3. Assets held for sale	18	0.02	0.02
Total Assets		34,979.26	24,036.22
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Derivative financial instruments	5	1.66	-
Payables	19		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		1.69	0.02
- total outstanding dues of creditors other than micro enterprises and small enterprises		2.24	1.22
(ii) Other Payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.32	2.13
Debt securities	20	1,663.99	1,227.09
Borrowings (other than debt securities)	21	23,978.97	13,616.13
Subordinated liabilities	22	237.59	236.91
Lease liabilities	23	200.69	135.59
Other financial liabilities	24	699.86	597.26
		26,787.01	15,816.35
2. Non-financial liabilities			
Current tax liabilities (net)	25	0.24	0.01
Provisions	26	12.67	8.53
Other non-financial liabilities	27	55.36	94.93
		68.27	103.47
EQUITY			
Equity share capital	28	154.58	154.11
Other equity	29	7,969.40	7,962.29
		8,123.98	8,116.40
Total liabilities and equity		34,979.26	24,036.22
Summary of material accounting policies	2		
Notes 1 to 56 forms an integral part of these standalone financial statements			

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

Vikram Dhanania
Partner
Membership No: 060568

Place : Mumbai
Date : April 25, 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sandeep D. Welling
Partner
Membership No: 044576

Place : Mumbai
Date : April 25, 2025

Sunil Samdani
Executive Director
(DIN : 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918

Place : Mumbai
Date : April 25, 2025

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Sanjay Miranka
Chief Financial Officer

Place : Mumbai
Date : April 25, 2025

Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations			
Interest income	30	3,874.50	2,904.05
Rental income	31	16.86	25.54
Fees and commission income	32	192.26	73.22
Net gain on fair value changes	33	-	2.15
Net gain on derecognition of financial instruments	34a	106.14	108.54
Total revenue from operations		4,189.76	3,113.50
Other income	35	33.08	38.32
Total income		4,222.84	3,151.82
Expenses			
Finance costs	36	1,515.09	955.10
Net loss on fair value changes	33	13.72	-
Net loss on derecognition of financial instruments	34b	94.41	-
Impairment on financial instruments	37	1,458.17	72.02
Employee benefits expenses	38	636.22	444.42
Depreciation and amortisation expense	39	65.10	59.31
Other expenses	40	575.53	303.63
Total expenses		4,358.24	1,834.48
Profit/(Loss) before exceptional items and tax		(135.40)	1,317.34
Exceptional items			
Profit/(Loss) before tax	41	-	1,221.20
Tax expense	11	(135.40)	2,538.54
Current tax		-	610.13
Tax expense for earlier years		0.26	(9.73)
Deferred tax		(37.32)	(117.82)
Total tax expense		(37.06)	482.58
Profit/(Loss) for the year		(98.34)	2,055.96
Other comprehensive income			
A. Items that will not be reclassified to Profit and loss			
(i) Remeasurement of the defined benefit plans		(1.96)	0.82
(ii) Income tax relating to items that will not be reclassified to Profit and loss		0.49	(0.21)
		(1.47)	0.61
B. Items that will be reclassified to Profit and loss			
(i) Financial instruments through other comprehensive income		0.10	0.29
(ii) Effective portion of gain on designated portion of hedging instruments in cash flow hedges		(16.95)	-
(iii) Income tax relating to items that will be reclassified to Profit and loss		4.24	(0.07)
		(12.61)	0.22
Other comprehensive income for the year (A + B)		(14.08)	0.83
Total comprehensive income for the year		(112.42)	2,056.79
Earnings per equity share (Face value of ₹ 2/- each)			
Basic (₹)	44	(1.27)	26.75
Diluted (₹)		(1.27)	26.43
Summary of material accounting policies	2		
Notes 1 to 56 forms an integral part of these standalone financial statements			

This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

Vikram Dhanania
Partner
Membership No: 060568

Place : Mumbai
Date : April 25, 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sandeep D. Welling
Partner
Membership No: 044576

Place : Mumbai
Date : April 25, 2025

Sunil Samdani
Executive Director
(DIN : 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918

Place : Mumbai
Date : April 25, 2025

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Sanjay Miranka
Chief Financial Officer

Place : Mumbai
Date : April 25, 2025

Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

As at March 31, 2025

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025*
154.11	0.47	154.58
As at March 31, 2024		
Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024*
153.59	0.52	154.11

*Net of adjustment of shares held by the PFL Employee Welfare Trust ('PFL EWT') refer note no. 28

B. OTHER EQUITY

As at March 31, 2025

Particulars	Reserves and Surplus							Other comprehensive income		Total	
	Capital reserve	Securities premium	Statutory reserves	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings	Financial instruments through other comprehensive income		Cash flow hedge reserve
Balance as at April 1, 2024	4.80	5,418.53	926.50	14.22	63.53	(186.05)	(0.75)	1,721.55	(0.04)	-	7,962.29
Loss for the year	-	-	-	-	-	-	-	(98.34)	-	-	(98.34)
Other comprehensive income for the year*	-	-	-	-	-	-	-	(1.47)	0.07	(12.68)	(14.08)
Total comprehensive income for the year	-	-	-	-	-	-	-	(99.81)	0.07	(12.68)	(112.42)
Share based payment to employees	-	120.27	-	-	67.68	-	-	-	-	-	187.95
Premium/(discount) on issue of non convertible debentures	-	(0.08)	-	-	-	-	-	-	-	-	(0.08)
Net income/(loss) of PFL EWT for the year	-	-	-	-	-	-	(77.38)	-	-	-	(77.38)
Fair value loss on PFL EWT shares	-	-	-	-	-	62.06	-	-	-	-	62.06
Purchase of shares by PFL EWT during the year	-	-	-	-	-	(53.02)	-	-	-	-	(53.02)
Balance as at March 31, 2025	4.80	5,538.72	926.50	14.22	131.21	(177.01)	(78.13)	1,621.74	0.03	(12.68)	7,969.40

Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

B. OTHER EQUITY (CONTD)

As at March 31, 2024

Particulars	Reserves and Surplus						Other comprehensive income		Total		
	Capital reserve	Securities premium	Statutory reserves	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings		Financial instruments through other comprehensive income	Cash flow hedge reserve
Balance as at April 1, 2023	4.80	5,247.67	515.30	14.22	105.79	-	-	383.59	(0.26)	-	6,271.11
Profit for the year	-	-	-	-	-	-	-	2,055.96	-	-	2,055.96
Other comprehensive income for the year*	-	-	-	-	-	-	-	0.61	0.22	-	0.83
Total comprehensive income for the year	-	-	-	-	-	-	-	2,056.57	0.22	-	2,056.79
Dividend paid	-	-	-	-	-	-	-	(307.41)	-	-	(307.41)
Transfer to/(from) retained earnings	-	-	411.20	-	-	-	-	(411.20)	-	-	-
Share based payment to employees	-	170.86	-	-	(42.26)	-	-	-	-	-	128.60
Net income/(loss) of PFL EWT for the year	-	-	-	-	-	-	(0.75)	-	-	-	(0.75)
Purchase of shares by PFL EWT during the year	-	-	-	-	-	(186.05)	-	-	-	-	(186.05)
Balance as at March 31, 2024	4.80	5,418.53	926.50	14.22	63.53	(186.05)	(0.75)	1,721.55	(0.04)	-	7,962.29

Refer note 29 for the nature and purpose of each reserves

*Amount of other comprehensive income transferred to retained earnings pertains to remeasurement of defined plans

Notes 1 to 56 forms an integral part of these standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:10504-7W

Vikram Dhanania
Partner
Membership No: 060568

Place : Mumbai
Date : April 25, 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No: 044576

Place : Mumbai
Date : April 25, 2025

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Sanjay Miranka
Chief Financial Officer

Place : Mumbai
Date : April 25, 2025



Statement of Cash Flows

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from operating activities		
Profit/(loss) for the year	(135.40)	2,538.54
Adjustments for :		
Depreciation and amortisation expenses	65.10	59.31
Impairment on financial instruments including exceptional items	1,458.17	1,545.28
Net (gain) on sale of investment in subsidiary	-	(2,713.65)
Net (gain)/loss on fair value changes	13.72	(2.15)
Net (gain) on derecognition of lease	(0.28)	(0.83)
Net (gain)/loss on derecognition of property, plant and equipment	(6.18)	12.48
Net (gain) on derecognition of financial instruments	(136.10)	(108.54)
Net loss on derecognition of financial instruments	94.41	-
Expense on employee stock option scheme	108.90	99.63
Interest on lease liabilities	16.51	12.50
Liabilities written back	-	(15.19)
Operating cash flow before working capital changes	1,478.85	1,427.38
Movement in working capital:		
Adjustments for (increase) / decrease in assets:		
Bank balances other than cash and cash equivalents	5.72	42.69
Receivables	9.95	(20.49)
Loans	(12,178.80)	(8,349.22)
Other financial assets	189.39	222.26
Other non financial assets	(75.97)	13.44
Adjustments for increase / (decrease) in liabilities:		
Payables	0.88	1.39
Other financial liabilities	7.79	328.16
Provisions	2.18	1.09
Other non financial liabilities	(39.57)	5.45
Net cash (used in) operating activities before taxes	(10,599.58)	(6,327.85)
Income taxes paid (net of refunds)	30.15	(658.04)
Net cash (used in) operating activities (A)	(10,569.43)	(6,985.89)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(28.22)	(7.02)
Proceeds from sale of property, plant and equipment	15.34	25.93
Purchase of other intangible assets and intangible assets under development	(15.10)	(5.64)
Net proceeds from sale of investment in subsidiary	-	3,533.36
Investment by PFL Employee Welfare Trust (treasury shares)	(53.02)	(186.85)
Net cash outflow from PFL Employee Welfare Trust activities	(15.32)	(1.10)
(Purchase) / Sale of Investments (net)	(385.59)	(365.76)
Net cash generated from/(used in) investing activities (B)	(481.91)	2,992.92
C. Cash flow from financing activities		
Proceeds from issue of debt securities and subordinated liabilities	959.92	500.00
Repayment of debt securities and subordinated liabilities	(522.68)	(337.50)
Proceeds from borrowings - other than debt securities	15,077.40	8,220.00
Repayment of borrowings - other than debt securities	(8,781.20)	(6,659.56)
Repayment of borrowings - pass through certificate	-	(109.96)
Proceeds from borrowings by PFL Employee Welfare Trust	-	175.00
Loans repayable on demand (including commercial papers) (net)	4,052.27	2,169.27

Statement of Cash Flows (Contd)

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on lease liabilities	(16.51)	(12.50)
Principal payment of lease liabilities	(27.91)	(20.93)
Proceeds from issue of equity shares including securities premium	79.52	30.29
Dividend paid	-	(307.34)
Net cash generated from financing activities (C)	10,820.81	3,646.77
Net (decrease) in cash and cash equivalents (A+B+C)	(230.53)	(346.20)
Cash and cash equivalents at the beginning of the year	255.18	601.38
Cash and cash equivalents at the end of the year	24.65	255.18
The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 on 'Statement of Cash Flows'.		
Refer Note 51 for change in liabilities arising from financing activities.		
Notes 1 to 56 forms an integral part of these standalone financial statements		

This is the Statement of Cash Flows referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sunil Samdani
Executive Director
(DIN : 10301175)

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Vikram Dhanania
Partner
Membership No: 060568
Place : Mumbai
Date : April 25, 2025

Sandeep D. Welling
Partner
Membership No: 044576
Place : Mumbai
Date : April 25, 2025

Shabnum Zaman
Company Secretary
Membership No: 13918
Place : Mumbai
Date : April 25, 2025

Sanjay Miranka
Chief Financial Officer
Place : Mumbai
Date : April 25, 2025

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025

NOTE 1: COMPANY OVERVIEW

Background

Poonawalla Fincorp Limited ('the Company'), having its registered office in Pune, India is a publicly held Non-Banking Finance Company ('NBFC') engaged in providing finance through its pan India branch network.

The Company is registered as a non-deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Effective October 01, 2022, the Company has been categorized as NBFC-ML under the RBI Scale Based Regulation dated October 22, 2021.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a) Statement of compliance and basis of preparation

The financial statements for the year ended March 31, 2025 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The financial statements are prepared and presented in the format prescribed in the Division III of Schedule III of the Act.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as

amended) as specified under Section 133 of the Act including applicable Ind AS and accounting principles generally accepted in India. The Company consistently applies the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Management is satisfied that the company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

These financial statements have been approved by the Company's Board of Directors and authorized for issue on April 25, 2025.

b) Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been denominated in crores and rounded off to the nearest two decimal, except when otherwise indicated. Amounts less than ₹ 50,000 /- are presented as ₹ 0.00 crores in the financial statements.

c) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following material items:

- Certain financial assets at Fair value through other comprehensive income (FVTOCI).
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value.
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation.

d) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both, financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e) Significant areas of estimation uncertainty, critical judgements and assumptions in applying accounting policies

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- **Note 50** - impairment of financial instruments: determining inputs into the Expected Credit Loss (ECL) model, including incorporation of forward-looking information and assumptions used in estimating recoverable cash flows
- **Note 49** - determination of the fair value of financial instruments with significant unobservable inputs
- **Note 42** - measurement of defined benefit obligations: key actuarial assumptions
- **Note 11** - recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used

Judgements:

Information about judgements made in applying policies that have the most significant effects on the amount recognized in the standalone financial statements is included in the following note:

Classification of financial assets: Assessment of the business model within which the assets are held for sale, held for sale and maturity, and held for maturity.

f) Revenue recognition

- I) Interest income from financial assets (assets on finance) is recognized on accrual basis using Effective Interest Rate ('EIR') method. EIR is applied on future principal of amortized cost of assets on finance. Interest income on stage 3 assets is recognized on net basis, i.e., on non-credit impaired portion.
- II) The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.
- III) The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.
- IV) The 'Amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any expected credit loss allowance.
- V) Income from direct assignment (sale) transactions represents the present value of excess interest spread receivables on de-recognized assets computed by discounting net cash flows from such assigned pools on the date of transactions.
- VI) Penal Charges are recognised on an accrual basis and other charges are treated to accrue on realization, due to uncertainty of realization and is accounted for accordingly.



Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

VII) For revenue recognition from leasing transactions of the Company, refer Note 4.3 on Leases.

VIII) Income from collection and support services is recognized over time as the services are rendered as per the terms of the contract.

IX) Fair value changes from financial instrument measured at FVTPL are recognized in revenue from operations basis their fair valuation and provision.

X) Dividend is recognized when the right to receive the dividend is established.

XI) The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Other income

- I) Income from power generation is recognized based on the unit's generated (point in time) as per the terms of the power purchase arrangements with respective State Electricity Boards.
- II) All other items of income are accounted for on accrual basis.

g) Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest expense on lease liabilities is computed by applying the notional borrowing rate and has been included under finance costs. It also includes discounting charges paid for securitization transactions entered under 'pass-through' arrangement.

h) Financial instruments

I) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the Profit and loss account are recognized immediately in the Statement of Profit and Loss. Trade Receivables are measured at transaction price. Trade receivables and debt securities issued are initially recognized when they are originated.

II) Classifications

Financial assets

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- Amortized cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

model or whether they reflect a new business model. The frequency, volume and timing of sales of financial asset in prior periods, the reason for such sales and expectations about future sales activity are important determining factors of the business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Financial instruments at Amortized Cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Re-classification from Amortized Cost to FVOCI

If there are multiple sale transaction of portfolios exceeding the prescribed threshold except as allowed under Ind AS 109 i.e. for stress case scenarios, and the management estimates that the Company may continue to sell down the loan assets for the purpose of meeting other business objectives then such part of the loan assets (if specifically identified) shall be re-classified to FVOCI from Amortized Cost category.

Re-classification from FVOCI to Amortized Cost

If considerable time period has elapsed since the past sale transaction and the management estimates that there is a very limited probability of selling down the portfolio in future, other than stressed portfolio or other exceptions as allowed

under Ind AS 109, then such portfolio can be re-classified from FVOCI to Amortized Cost category.

Equity Investments

All equity investments other than equity investments in subsidiaries / associates / joint ventures are measured at FVTPL. These include all equity investments in scope of Ind AS 109. The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or fair value through Profit and loss, as appropriate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

III) Subsequent measurement

Amortized cost

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of Profit and loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

FVTOCI

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the statement of profit and loss. On derecognition, cumulative gain or loss (if any) previously recognized in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognize the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed) is transferred to statement of Profit and loss.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Profit and loss.

Securitization and Assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognized and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognized in the statement of profit and loss.

Equity

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

VI) Impairment of Financial Assets

The Company recognizes loss allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- **Stage 1:** financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- **Stage 2:** financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- **Stage 3:** financial assets that are credit impaired – as the difference between the gross carrying

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

amount and the present value of estimated cash flows.

The Company's policy for determining significant increase in credit risk is set out in Note 50.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Management overlay is used to estimate the ECL allowance in circumstances where management believes that the existing inputs, assumptions and model techniques do not factor the related exception scenario or captures all the risk factors relevant to the Company's lending portfolios.

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are credited to impairment loss on actual realization from customer.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

For more details, refer Note 50.

Presentation of ECL allowance for financial asset:

ECL allowance for financial asset measured at Amortized cost or FVOCI is shown as a deduction from the gross carrying amount of the assets.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and

maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

i) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

j) Leases

i) The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the lease term. In certain lease arrangements, variable



Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

rental charges are also recognized over and above minimum commitment charges based on usage pattern.

II) The Company as lessee

i) Right of use assets and lease liability

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

Recognition and initial measurement

At the lease commencement date, the Company recognizes a Right of use ("RoU") asset and equivalent amount of lease liability. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Company also assesses the right of use asset for impairment when such indicators exist.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made

and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right of use asset or is recorded in statement of Profit and loss if the carrying amount of the right of use asset has been reduced to zero.

Presentation

Lease liability and right of use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right of use asset and lease liability, the payments in relation to these leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right of use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right of use asset and lease liability is recognized in statement of Profit and loss.

k) Employee Benefits

I) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. This includes performance linked incentives. Short term employee obligations are measured at undiscounted basis.

II) Post-employment benefits

i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts.

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Contributions paid / payable to the

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

recognized provident fund, which is a defined contribution scheme, are expensed as the related service is rendered by an employee and recognized as personnel expenses in statement of Profit and loss.

ii) Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability/ (asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses;

- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset)

III) Other long term employee benefits

Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expenses and actuarial gain / loss on account of the above benefit plans are recognized in the statement of profit and loss on the basis of actuarial valuation.

IV) Share-based payment arrangements - Employee Stock Options

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case, the company modifies the terms and condition on which the equity instruments were granted in a manner that is beneficial to the employees, the incremental cost will be recognized over the period starting from the modification date till the date of vesting if the modification occurs during the vesting period. In case, modification occurs after the vesting period, the incremental cost will be recognized immediately.

V) Treasury Shares

The Company has created an ESOP Trust (the 'Trust') for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchase shares of the Company from the market, for giving shares to employees. The

Summary of material accounting policy information and other explanatory information
for the year ended March 31, 2025 (Contd.)

Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from other equity. No gain or loss is recognized in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Share options exercised during the reporting period are settled with treasury shares. Trust reserve represents net of income over expenditure of the Trust.

I) Derivative financial instruments

The Company enters into derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk.

Such derivative financial instruments are initially recognized at fair value on the date which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss (if any) when the hedge item cash flows affects the statement of profit and loss.

Hedge Accounting

The Company makes use of derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such

hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on regular intervals to determine that hedge is effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect Profit and loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion (if any) of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

m) Income Tax

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognized in statement of Profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

I) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the

Summary of material accounting policy information and other explanatory information
for the year ended March 31, 2025 (Contd.)

year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and

- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment (PPE) held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company. Subsequent expenditure on PPE after its purchase is capitalized if it is probable that the future economic benefits will flow to the enterprise.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciations and recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation and amortization expense

Depreciation on PPE is provided using the straight line method at the rates specified in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Sl. No.	Item	Life (in years)
1	Buildings	60
2	Furniture and Fixtures	10
3	Electrical Installations and Equipment	10
4	Vehicles	8
5	Office Equipment	5
6	Server	6
7	Networking tools	6

Freehold land is not depreciated.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

Depreciation on vehicles given on operating lease is provided on straight line method at rates based on tenure of the underlying lease contracts not exceeding 8 years. These leases are having residual value greater than 5%, Company has justification in place for considering the same.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act:

Sl. No.	Item	Life (in years)
1	Desktop (PC/ monitor)	6
2	Laptops/Handheld Device	4
3	Scanner and UPS	6
4	Printer	3
5	Tablet	3
6	Leasehold improvements	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of PPE or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of Profit and loss.

Capital work-in-progress

PPE not ready for the intended use on the date of the balance sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Individual assets costing less than or equal to ₹ 5,000/- are depreciated in full in the month of acquisition.

o) Intangible assets

Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortization

and impairment losses, if any. Cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company.

Expenditure on internally developed software is recognized as an asset when the Company is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development.

The costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are amortized over its useful life.

Amortization

Amortization of intangible assets is recognized on a straight-line basis over a period up to 6 years, which is the Management’s estimate of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of Profit and loss when the asset is de-recognized.

Intangible assets under development

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as “Intangible assets under development”.

p) Impairment of non-financial assets

The Company’s non – financial assets including deferred tax is assessed at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

q) Foreign Currency Transactions

Transactions in currencies other than Company’s operational currency are recorded on initial recognition using the exchange rates prevailing on the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end and exchange differences that arise on settlement of monetary items or on reporting of monetary items at the closing spot rate are recognized in the statement of profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

r) Provisions and contingencies related to claims, litigation, etc.

A provision is recognized if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

II) Contingencies related to claims, litigation, etc.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

s) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

t) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

u) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

v) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2025 (Contd.)

operating segments of the Company. Refer note 53 for details on segment information presented.

w) Earnings per equity share

Basic earnings per equity share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share, if any, is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per equity share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

x) Dividend

Interim dividend declared to equity shareholders, if any, is recognized as liability in the period in which the said dividend is declared by the Board of Directors. Final dividend declared, if any, is recognized in the period in which the said dividend is approved by the Shareholders. Dividend payable is recognized directly in other equity.

y) Subsequent events

The Company evaluates all transactions and events that occur after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed.

z) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	0.28
Balances with banks :		
- In current accounts	24.65	254.90
	24.65	255.18

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Bank balances other than cash and cash equivalents		
- In deposits with original maturity of more than 3 months	0.00	5.80
Earmarked balances with banks		
- Unclaimed dividend on equity shares	0.35	0.30
- Towards bank guarantees and others	7.29	7.26
	7.64	13.36

5 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2025		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	1,477.40	2.82	1.66
	1,477.40	2.82	1.66
Particulars	As at March 31, 2024		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	-	-	-
	-	-	-

Refer note no. 50(iv)(b) for foreign currency risk.

6. RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Trade receivables		
Considered good - Unsecured	30.89	34.89
Less: Impairment loss allowance	(12.50)	(12.50)
	18.39	22.39
(ii) Other receivables		
Considered good - Unsecured	0.32	6.27
Less: Impairment loss allowance	-	-
	0.32	6.27
	18.71	28.66

There are no dues by directors or other officers of the company either severally or jointly with any other person or any firms or private companies in which any director is a partner, a director or a member.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

6. RECEIVABLES (CONTD.)

Trade receivables ageing schedule as at March 31, 2025

Particulars	Undisputed Trade receivables – considered good	Disputed Trade Receivables – considered good	Total
Less than 6 months	13.74	-	13.74
6 months - 1 year	0.02	-	0.02
1-2 years	17.13	-	17.13
2- 3 years	-	-	-
More than 3 years	-	-	-
Total	30.89	-	30.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total Trade receivables	18.39	-	18.39

Trade receivables ageing schedule as at March 31, 2024

Particulars	Undisputed Trade receivables – considered good	Disputed Trade Receivables – considered good	Total
Less than 6 months	17.76	-	17.76
6 months - 1 year	17.13	-	17.13
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
Total	34.89	-	34.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total Trade receivables	22.39	-	22.39

Note - Ageing of the trade receivables is determined from the due date of payment till the reporting date.

7 LOANS

Amortised Cost	As at March 31, 2025	As at March 31, 2024
(A) (i) Term loans*	33,549.09	22,881.95
(ii) Leasing	88.28	163.43
Total (A) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (A) - Net	32,694.96	22,046.41
(B) (i) Secured by tangible assets ^	19,109.16	11,129.55
(ii) Covered by bank/government guarantees #	2.64	93.38
(iii) Unsecured	14,525.57	11,822.45
Total (B) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (B) - Net	32,694.96	22,046.41
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	33,637.37	23,045.38
Total (C) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (C) - Net	32,694.96	22,046.41

^ Secured by underlying assets financed

* Includes supply chain finance outstanding of ₹ 1,224.62 crores (March 31, 2024 - ₹ 2,409.19 crores)

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

7 LOANS (CONTD.)

- # 1) Loans amounting to ₹0.70 crores are covered under Emergency Credit Line Guarantee Scheme for NBFCs administered by NCGTC under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (March 31, 2024: ₹ 67.89 crores)
- 2) Loans amounting to ₹1.94 crores are covered under Credit Guarantee Scheme for NBFCs administered by CGTMSE under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries.(March 31, 2024: ₹ 25.49 crores)

Refer Note 50, for movement in the gross carrying amount in respect of loans and corresponding ECL allowances.

8. INVESTMENTS

As at March 31, 2025

Particulars	Amortised Cost	At Fair Value through Other comprehensive income	At Fair Value through profit and loss	Total
A) Investments in :				
Government Securities #	650.98	502.96	-	1,153.94
Mutual funds (Invested by PFL EWT)	-	-	2.93	2.93
Others -				
PTC securities	3.65	-	-	3.65
Security receipts	-	-	181.11	181.11
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	654.63	502.96	184.04	1,341.63
B) Other details :				
Investments in India	654.63	502.96	184.04	1,341.63
Investments outside India	-	-	-	-
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	654.63	502.96	184.04	1,341.63

As at March 31, 2024

Particulars	Amortised Cost	At Fair Value through Other comprehensive income	At Fair Value through profit and loss	Total
A) Investments in :				
Government Securities #	350.27	303.78	-	654.05
Others -				
PTC securities	16.30	-	-	16.30
Security receipts	-	-	207.98	207.98
Total – Gross (I)	366.57	303.78	207.98	878.33
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	366.57	303.78	207.98	878.33
B) Other details:				
Investments in India	366.57	303.78	207.98	878.33
Investments outside India	-	-	-	-
Total – Gross (I)	366.57	303.78	207.98	878.33
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	366.57	303.78	207.98	878.33

Investment in Government Securities includes ₹ 380.97 crore in T-bill and ₹ 650.98 crore in Repo instruments. (March 31, 24 : ₹ 160.91 crore in T-bill and ₹ 350.27 crore in Repo instruments)

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

9. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Accrued interest	1.60	4.28
Advances recoverable	25.78	68.97
Receivable on assigned loans	99.16	110.51
Security deposits	19.19	9.55
Advances to related parties #	2.31	7.21
Others*	36.06	58.06
Total (Gross)	184.10	258.58
Less: Impairment loss allowance	(1.91)	(0.77)
	182.19	257.81

Refer Note 46 related party disclosure for detailed disclosure.

* Others include receivables on credit guarantee scheme amounting to ₹35.48 crores (March 31, 2024 - ₹50.25 crores).

10. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax (net of provisions)	141.51	171.70
	141.51	171.70

11. INCOME TAX

A. Income tax recognised in statement of Profit and loss

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax		
Current tax	-	610.13
Tax expense for earlier years	0.26	(9.73)
	0.26	600.40
Deferred tax		
On account of timing differences	(37.32)	(117.82)
	(37.32)	(117.82)
Tax expense	(37.06)	482.58

B. Income tax recognised in other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Remeasurements of the defined benefit plans	(0.49)	0.21
Financial instruments fair value through other comprehensive income	0.03	0.07
Cash Flow Hedge Reserve	(4.27)	-
	(4.73)	0.28

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

11. INCOME TAX (CONTD.)

C. Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	%	Amount	%	Amount
Profit/(loss) before tax		(135.40)		2,538.54
(Loss) on which Company's domestic tax rate would be applied	25.17%	(135.40)	25.17%	(175.11)
Profit on which Company's special tax rate would be applied	-	-	22.88%	2,713.65
Tax as per above		(34.08)		576.81
Effect of:				
Non taxable income/tax incentives/disallowable expenses	2.39%	(3.24)	-3.33%	(84.50)
Effective tax rate	27.56%	(37.32)	19.39%	492.31
Provisions relating to earlier years	-0.19%	0.26	-0.38%	(9.73)
Income tax expense recognised in the statement of profit and loss	27.37%	(37.06)	19.01%	482.58

D. Deferred tax assets (net)

Particulars	As at April 1, 2024	Recognised in Profit and loss during the year	Recognised in OCI during the year	As at March 31, 2025
Deferred tax assets:				
Impairment loss allowance	257.36	(15.89)	-	241.47
Application of effective interest rate method on financial assets and financial liabilities	51.31	34.88	-	86.19
Provision for employee benefits	1.91	0.68	-	2.59
Cash Flow Hedge Reserve	-	-	4.27	4.27
Business Loss/Unabsorbed depreciation	-	62.85	-	62.85
Lease Liabilities	34.12	16.39	-	50.51
On written down value of property, plant and equipment	2.59	5.12	-	7.71
Others (primarily other financial liabilities)	-	0.03	-	0.03
	347.29	104.06	4.27	455.62
Deferred tax liabilities:				
EIS receivable	27.81	(2.86)	-	24.95
On financial assets and financial liabilities	121.26	54.89	-	176.15
Gratuity (excess of plan assets over obligation)	0.96	0.87	(0.49)	1.34
Right of Use assets	29.53	13.84	-	43.37
Others (primarily other financial assets)	4.31	(0.00)	0.03	4.33
	183.87	66.74	(0.46)	250.14
Net deferred tax assets	163.42	37.32	4.73	205.48

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

11. INCOME TAX (CONTD.)

Particulars	As at April 1, 2023	Recognised in Profit and loss during the year	Recognised in OCI during the year	As at March 31, 2024
Deferred tax assets:				
Impairment loss allowance	74.19	183.17	-	257.36
Application of effective interest rate method on financial assets and financial liabilities	34.52	16.79	-	51.31
Provision for employee benefits	1.84	0.07	-	1.91
On written down value of property, plant and equipment	-	2.59	-	2.59
Lease Liabilities	22.55	11.57	-	34.12
	133.10	214.19	-	347.29
Deferred tax liabilities:				
On written down value of property, plant and equipment	3.02	(3.02)	-	-
Loans	3.87	(3.87)	-	-
EIS receivable	7.71	20.10	-	27.81
On financial assets and financial liabilities	50.01	71.25	-	121.26
Gratuity (excess of plan assets over obligation)	0.43	0.32	0.21	0.96
Right of Use assets	18.89	10.64	-	29.53
Others (primarily other financial assets)	3.29	0.95	0.07	4.31
	87.22	96.37	0.28	183.87
Net deferred tax assets	45.88	117.82	(0.28)	163.42

E. Uncertain tax positions

Refer Note 48 on contingent liabilities and commitment relating to income tax matter under dispute.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

12 INVESTMENT PROPERTY

Particulars	Gross carrying amount			Depreciation		Net carrying amount		
	As at April 01, 2024	Additions	Deletions / adjustments	As at April 01, 2024	Additions / adjustments	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
Investment property*	0.09	-	-	0.02	0.00	0.02	0.07	0.07
Particulars	Gross carrying amount			Depreciation		Net carrying amount		
	As at April 01, 2023	Additions	Deletions / adjustments	As at April 01, 2023	Additions / adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024
Investment property*	0.09	-	-	0.01	0.01	0.02	0.07	0.08

Amounts recognised in Profit and loss for investment property

	Year ended March 31, 2025	Year ended March 31, 2024
Rental Income	0.03	0.03
Depreciation	0.00	0.01

* Registration of title is pending and hence fair value of the property has not been disclosed.

Description of item of property	Gross carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the Company
Investment property	0.09	Gouri Shankar Rajgharia and Om Prakash Rajgharia	No	July 15, 2004	Disputed

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

13 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount			Depreciation		Net carrying amount	
	As at April 01, 2024	Additions	Deletions / adjustments	As at April 01, 2024	Additions / adjustments	As at March 31, 2025	As at March 31, 2024
Owned Assets[^]							
Buildings	2.83	-	1.29	0.43	0.04	0.22	1.32
Furniture and fixtures	3.22	2.20	1.37	2.32	0.29	1.11	2.55
Vehicles	0.52	-	0.33	0.34	0.02	0.23	0.06
Office equipment	11.53	5.88	2.28	4.42	2.23	2.05	10.53
Leasehold improvements	3.77	7.78	1.42	2.89	0.61	1.26	7.89
Computers	26.83	9.78	3.66	18.15	6.10	3.61	12.31
Assets under Lease							
Vehicles	73.64	-	23.01	34.01	11.97	15.70	20.35
Total	122.34	25.64	33.36	62.56	21.26	24.21	55.01
							59.78

Particulars	Gross carrying amount			Depreciation		Net carrying amount	
	As at April 01, 2023	Additions	Deletions / adjustments	As at April 01, 2023	Additions / adjustments	As at March 31, 2024	As at March 31, 2023
Owned Assets[^]							
Land	0.30	-	0.30	-	-	-	0.30
Buildings	2.83	-	-	0.37	0.06	0.43	2.40
Wind mills	51.08	-	51.08	24.56	1.47	26.03	-
Furniture and fixtures	7.06	0.29	4.13	5.00	0.44	3.12	0.90
Vehicles	1.35	-	0.83	0.69	0.11	0.46	0.18
Office equipment	15.92	5.93	10.32	12.19	1.73	9.50	7.11
Leasehold improvements	10.50	0.01	6.74	8.29	0.36	5.76	0.88
Computers	29.85	0.79	3.81	16.07	5.84	3.76	8.68
Assets under Lease							
Vehicles	96.03	-	22.39	29.92	18.38	14.29	39.63
Total	214.92	7.02	99.60	97.09	28.39	62.92	59.78
							117.83

[^] For details of immovable property hypothecated against borrowings, refer Note 20.
The Company had sold its “Windmills” during the year ending March 31, 2024, refer note 41.
There is no immovable property (except Investment property) where title deed of such immovable property is not held in name of the Company or jointly held with others.
For details on contractual commitment, refer note 48

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

14 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at April 01, 2023		Additions	Deletions/Write off	As at March 31, 2024		Additions	Deletions/Write off	As at March 31, 2025	
	April 01, 2023	4.56	1.39	5.69	March 31, 2024	0.26	14.08	3.91	March 31, 2025	10.43
Intangible assets under development										

Intangible assets under development ageing schedule as at March 31, 2025

Particulars	Less than 1 year		1-2 years		2-3 years		More than 3 years		Total	
	April 01, 2025	10.43	April 01, 2024	-	March 31, 2025	-	March 31, 2024	-	March 31, 2025	10.43
Projects in progress										
Projects temporarily suspended										
Total	10.43	10.43							10.43	

Intangible assets under development ageing schedule as at March 31, 2024

Particulars	Less than 1 year		1-2 years		2-3 years		More than 3 years		Total	
	April 01, 2024	0.26	April 01, 2023	-	March 31, 2024	-	March 31, 2023	-	March 31, 2024	0.26
Projects in progress										
Projects temporarily suspended										
Total	0.26	0.26							0.26	

Refer note 48 (d) for capital commitments

15 OTHER INTANGIBLE ASSETS

Particulars	Gross carrying amount			Amortisation		Net carrying amount	
	As at April 01, 2024	Additions	Deletions / adjustments	As at April 01, 2024	Additions / adjustments	As at March 31, 2025	As at March 31, 2024
Computer software	25.43	4.93	4.87	8.43	5.52	4.87	16.41
Total	25.43	4.93	4.87	8.43	5.52	4.87	16.41
							17.00
Particulars	Gross carrying amount			Amortisation		Net carrying amount	
	As at April 01, 2023	Additions	Deletions / adjustments	As at April 01, 2023	Additions / adjustments	As at March 31, 2024	As at March 31, 2023
Computer software	34.76	9.94	19.27	20.51	5.46	17.54	17.00
Total	34.76	9.94	19.27	20.51	5.46	17.54	17.00
							14.25



(All amounts are in ₹ Crores unless otherwise stated)

16. RIGHT OF USE ASSETS

Particulars	Gross Block			Accumulated amortisation			Net carrying amount	
	As at April 01, 2024	Additions	Deletions / adjustments	As at April 01, 2024	Additions	Deletions / adjustments	As at March 31, 2025	As at March 31, 2024
Right of use assets	151.29	95.75	4.24	33.94	38.32	1.77	172.31	117.35
Total	151.29	95.75	4.24	33.94	38.32	1.77	172.31	117.35

Particulars	Gross Block			Accumulated amortisation			Net carrying amount	
	As at April 01, 2023	Additions	Deletions / adjustments	As at April 01, 2023	Additions	Deletions / adjustments	As at March 31, 2024	As at March 31, 2023
Right of use assets	99.99	86.96	35.66	24.94	25.46	16.46	117.35	75.05
Total	99.99	86.96	35.66	24.94	25.46	16.46	117.35	75.05

Refer Note 43 for disclosure related to leases.

17 OTHER NON-FINANCIAL ASSETS

	As at March 31, 2025	As at March 31, 2024
Capital advances	3.22	0.64
Other advances		
- Prepaid expenses	58.39	15.43
- Balances with government authorities	38.53	7.02
- Gratuity* (excess of plan assets over obligation)	5.28	3.78
	105.42	26.87

*Refer Note 42 for disclosure related to provisions for employee benefits.

18 ASSETS HELD FOR SALE

	As at March 31, 2025	As at March 31, 2024
Investment in Joint Venture	0.02	0.02
	0.02	0.02

The Board of Directors and Shareholders of the Company in their respective meetings had approved sale of its shareholding in joint venture Jaguar Advisory Services Private Limited (JASPL) held on November 2, 2021 and December 13, 2021. The Board has reaffirmed plan to sell it's shareholding in JASPL in its meeting held on April 25, 2025. The sale will be subject to requisite regulatory approvals. Accordingly, in line with the requirements of Ind AS 105 "Non-current assets Held for Sale", such investment has been classified as assets held for sale.



Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

19 PAYABLES

	As at March 31, 2025	As at March 31, 2024
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises*	1.69	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.24	1.22
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.32	2.13
	4.25	3.37

*The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2025	As at March 31, 2024
a) Dues remaining unpaid to any supplier at the year end		
- Principal	1.69	0.02
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

Trade payables ageing schedule as at March 31, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues - MSME	1.69	-	-	-	1.69
Undisputed dues - Others	2.22	0.02	-	-	2.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	3.91	0.02	-	-	3.93

Trade payables ageing schedule as at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues - MSME	0.02	-	-	-	0.02
Undisputed dues - Others	1.22	-	-	-	1.22
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	1.24	-	-	-	1.24

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

20 DEBT SECURITIES

Measured at amortised cost - Secured

	As at March 31, 2025	As at March 31, 2024
(A) Redeemable non-convertible debentures (refer note (a) and (b) below)	1,663.99	1,227.09
Total	1,663.99	1,227.09
	As at March 31, 2025	As at March 31, 2024
(B) Debt securities in India	1,663.99	1,227.09
Total	1,663.99	1,227.09

(a) Nature of security

Debentures issued under private placement are secured by First pari passu charge on the loan assets of the Company. Debentures issued under public issue are secured by mortgage of Company's immovable property situated at Luz Church Road, Mylapore, Chennai and are also secured against designated loan assets. The Company has maintained sufficient asset cover towards principle, interest accrued and such other sums as stated in respective information memorandum.

(b) Terms of repayment for secured redeemable non-convertible debentures *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
500	1,000,000	Apr-17	Apr-24	9.00%	-	50.00
61,717	1,000	May-19	May-24	10.04%	-	6.16
778,150	1,000	May-19	May-24	10.50%	-	77.79
11,949	1,000	May-19	May-24	Zero coupon	-	1.19
2,500	1,000,000	Jul-22	Jul-24	7.60%	-	250.00
500	1,000,000	Sep-22	Oct-24	Zero coupon	-	49.99
3,500	1,000,000	Dec-19	Dec-24	9.20%	-	87.35
10,000	100,000	Jan-23	Jan-26	Zero coupon	100.00	100.00
10,000	100,000	Feb-23	Feb-26	7.85%	100.00	100.00
25,000	100,000	Feb-24	Feb-26	8.38%	249.99	249.99
7,500	100,000	Apr-24	Apr-26	8.32%	74.99	-
25,000	100,000	Feb-24	May-26	8.38%	249.99	249.99
42,500	100,000	Sep-24	Sep-26	8.20%	424.86	-
26,735	1,000	May-19	May-29	10.27%	2.64	2.63
20,323	1,000	May-19	May-29	10.75%	2.01	2.00
31,000	100,000	Nov-24	Nov-29	8.03%	309.67	-
15,000	100,000	Jan-25	Nov-29	8.03%	149.84	-
					1,663.99	1,227.09

*As per contractual tenure

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES)

Measured at amortised cost

	As at March 31, 2025	As at March 31, 2024
(A) a) Term loans - secured		
- from banks	8,046.53	5,834.43
- from other parties	4,278.46	1,673.47
b) Loans repayable on demand (cash credit facilities and working capital demand loans) - secured		
- from banks	5,607.67	3,560.57
c) Other loans		
- Commercial paper - unsecured#	4,378.11	2,373.01
- Loan from Poonawalla Finance Private Limited (taken by PFL EWT) - unsecured ##	174.74	174.65
d) External Commercial Borrowings (ECBs) - Secured ^	1,493.46	-
Total	23,978.97	13,616.13
(B) Borrowings in India	22,485.51	13,616.13
Borrowings outside India	1,493.46	-
Total	23,978.97	13,616.13

(a) Nature of security

- i) Term Loans, Cash Credit facilities, Working Capital Demand Loans and External Commercial Borrowings are secured by way of first pari passu charge on the loan receivables of the company under Security Trustee Arrangement.

(b) Terms of repayment of term loans (secured) *

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Half yearly installments				
0 - 1 Year	7.11% - 8.75%	6.70% - 8.55%	787.26	453.90
1 - 3 Years	7.11% - 8.75%	7.56% - 8.55%	1,259.03	1,201.13
3 - 5 Years	7.67% - 8.75%	8.10% - 8.55%	637.14	837.43
≥ 5 Years	-	8.10%	-	20.82
			2,683.43	2,513.28
Quarterly installments				
0 - 1 Year	6.50% - 8.65%	7.60% - 8.65%	2,617.83	1,059.24
1 - 3 Years	6.50% - 8.65%	7.60% - 8.65%	5,084.55	2,445.81
3 - 5 Years	6.50% - 8.45%	7.60% - 8.30%	1,939.17	1,341.71
≥ 5 Years	-	8.12% - 8.30%	-	147.81
			9,641.55	4,994.57
Monthly installments				
0 - 1 Year	12.00%	12.00%	0.01	0.04
1 - 3 Years	-	12.00%	-	0.01
			0.01	0.05
			12,324.99	7,507.90

*As per contractual tenure

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

(c) ^ Terms of repayment of external commercial borrowings

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
1 - 3 Years	7.97% - 8.17%	-	1,493.46	-
			1,493.46	-

(d) Details of cash credit facilities and working capital demand loans

The cash credit facilities are repayable on demand and carry interest rates ranging from 8.00% to 9.50% (March 31, 2024: from 8.15% to 9.10% p.a). Working capital demand loans are repayable on demand and carry interest rates ranging from 7.24% to 9.00% (March 31, 2024: from 7.23 % to 8.60 % p.a.). As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature.

#Commercial papers are repayable within 12 months and issued at a discount rate of 7.42 % p.a. - 8.78% p.a. (March 31, 2024: 7.13 % p.a. - 8.78% p.a.)

##Loan taken by PFL EWT has a maturity of 4 years (until March 2028) and borrowed at a rate of 9% p.a.

(e) The Company has used the borrowings from banks and financial institutions for the purpose for which it was taken as at the balance sheet date.

22 SUBORDINATED LIABILITIES

Measured at amortised cost - Unsecured

	As at March 31, 2025	As at March 31, 2024
(A) Perpetual debt instruments (Tier I capital) to the extent that do not qualify as equity	28.48	28.38
Others (Tier II capital) :		
From banks (subordinated term loan)	99.86	99.71
Redeemable non convertible subordinated debt instruments to the extent that do not qualify as equity	109.25	108.82
Total	237.59	236.91
(B) Subordinated liabilities in India	237.59	236.91
Total	237.59	236.91

(a) Terms of maturity of perpetual debt instruments (Tier I capital) *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
40	500,000	Sep-15	Sep-25	12.10%	2.00	1.99
100	500,000	Oct-15	Oct-25	12.10%	4.99	4.97
60	500,000	Jun-16	Jun-26	12.10%	2.99	2.99
34	500,000	Jul-16	Jul-26	12.10%	1.70	1.69
100	1,000,000	Aug-16	Jul-26	12.10%	9.95	9.91
30	1,000,000	Sep-16	Sep-26	12.10%	2.98	2.97
19	1,000,000	Feb-17	Feb-27	11.50%	1.89	1.88
10	1,000,000	Mar-17	Mar-27	11.50%	0.99	0.99
10	1,000,000	Aug-17	Aug-27	11.00%	0.99	0.99
					28.48	28.38

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

22 SUBORDINATED LIABILITIES (CONTD.)

Terms of repayment of subordinated term loans from banks (Tier II capital) *

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
0 - 1 Year	12.50%	-	99.86	-
1 - 3 Years	-	12.50%	-	99.71
			99.86	99.71

*As per contractual tenure

Terms of maturity of redeemable non convertible subordinated debt instruments (Tier II capital) *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
50	1,000,000	Mar-18	Jun-25	10.20%	5.00	4.99
350	1,000,000	Dec-16	Dec-26	10.40%	34.65	34.44
400	1,000,000	Jan-17	Jan-27	10.40%	39.69	39.52
150	1,000,000	Mar-17	Mar-27	10.25%	14.97	14.95
100	1,000,000	May-17	May-27	10.10%	9.97	9.96
50	1,000,000	Mar-18	Mar-28	10.00%	4.97	4.96
					109.25	108.82

The Company has made all payments of principal and interest as per the repayment date.

*As per contractual tenure

23 LEASE LIABILITIES*

	As at March 31, 2025	As at March 31, 2024
Lease liabilities	200.69	135.59
	200.69	135.59

*Refer Note 43 for disclosure related to leases.

24 OTHER FINANCIAL LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due	102.22	68.36
Unclaimed dividend*	0.35	0.30
Pending remittance on assignment	194.20	167.34
Employee dues	42.18	25.18
Provision for expenses	217.75	268.24
Other payables	143.16	67.84
	699.86	597.26

*There has been no delay in transfer of amounts required to be transferred to Investor Education and Protection Fund.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

25 CURRENT TAX LIABILITIES (NET)

	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax)	0.24	0.01
	0.24	0.01

26 PROVISIONS

	As at March 31, 2025	As at March 31, 2024
Provision for compensated absences*	10.37	7.59
Provision - others	0.94	0.94
Provision on undrawn commitments	1.36	-
	12.67	8.53

*Refer Note 42 for disclosure related to provisions for employee benefits.

27 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2025	As at March 31, 2024
Revenue received in advance	17.74	1.62
Advances and deposits from customers	12.91	18.62
Statutory dues	24.71	74.69
	55.36	94.93

28 EQUITY

	As at March 31, 2025	As at March 31, 2024
Authorised		
1,265,000,000 (March 31, 2024: 1,265,000,000) Equity shares of ₹ 2/- each	253.00	253.00
58,300,000 (March 31, 2024: 58,300,000) Preference shares of ₹ 100/- each	583.00	583.00
	836.00	836.00
Issued, subscribed and fully paid-up		
Equity share capital		
778,014,400 (March 31, 2024: 774,550,662) Equity shares of ₹ 2/- each, fully paid up	155.60	154.91
Less: equity shares 5,080,000 (March 31, 2024: 4,000,000) of ₹ 2/- each held by the PFL EWT	(1.02)	(0.80)
	154.58	154.11

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	770,550,662	154.11	767,947,592	153.59
Issued during the year	-	-	-	-
Issued against employee stock option	3,463,738	0.69	6,603,070	1.32
Shares acquired by the PFL EWT during the year	(1,080,000)	(0.22)	(4,000,000)	(0.80)
	772,934,400	154.58	770,550,662	154.11

(b) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 2/- each. Each holder of equity share is entitled to one vote per share.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

28 EQUITY (CONTD.)

The dividend recommended by the Board of Directors and approved by the Shareholders in the Annual General meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, the Company has allotted 3,463,738 equity shares of face value of ₹ 2 each to the eligible employees of the Company under Employee Stock Option Plan 2007 / Employee Stock Option Plan 2021 pursuant to the ESOP Guidelines, as amended from time to time. Refer note no 45 for disclosures related to share based payments.

(c) Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

(d) Shares bought back

The Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

(e) Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	%	No. of shares	%	No. of shares
Equity shares				
Rising Sun Holdings Private Limited*	62.53%	486,496,535	62.13%	481,217,690

*Holding Company

(f) Shareholding of Promoters

Shares held by promoters as at March 31, 2025			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	486,496,535	62.53%	0.65%
Shares held by promoters as at March 31, 2024			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	481,217,690	62.13%	(0.02%)

(g) For equity shares reserved for issue under options, please refer note 45.

29 OTHER EQUITY*

	As at March 31, 2025	As at March 31, 2024
Capital reserve	4.80	4.80
Securities premium	5,538.72	5,418.53
Statutory reserves	926.50	926.50
Capital redemption reserve	14.22	14.22
Share option outstanding reserve	131.21	63.53
Treasury Shares	(177.01)	(186.05)
Trust Reserves	(78.13)	(0.75)
Retained earnings	1,621.74	1,721.55
Other comprehensive income	(12.65)	(0.04)
	7,969.40	7,962.29

*Refer Statement of Changes in Equity for movement in reserves



Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

29 OTHER EQUITY* (CONTD.)

Nature and purpose of reserves:

Capital reserve

Capital reserve has been created to set aside gains of capital nature from amalgamation and merger. It is utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)

Statutory reserve represents the Reserve Fund created under section 45-IC of the Reserve Bank of India Act, 1934. The Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss. The statutory reserve can be utilized for the purposes as may be specified by the Reserve Bank of India from time to time.

Capital redemption reserve

Capital redemption reserve is created to keep the capital intact when preference shares are redeemed or equity shares are bought back. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account

The Company instituted the Employee Stock Option Plan (ESOP) in 2007, Restricted Stock Option Plan 2014 (RSOP) in 2014, Employee Stock Option Plan 2021 in 2021 and Employee Stock Option Plan 2024 Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.

Treasury shares

The reserve for shares of the Company held by the PFL EWT. The Company has issued employees stock option scheme for its employees. The equity shares of the Company have been purchased and held by PFL EWT. PFL EWT to transfer these shares in the name of employees at the time of exercise of option by employees.

Trust Reserve

This represents net of income over expenditure of PFL EWT Trust

Retained earnings

Retained earnings represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves. It also includes impact of remeasurement of defined benefit plans.

Financial instruments through other comprehensive income

- (a) **On Debt Investments:** This comprises changes in the fair value of debt instruments recognised in other comprehensive income. The company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.
- (b) **On Cash flow hedge reserve:** It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

30 INTEREST INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on loans (measured at amortised cost)	3,791.39	2,856.40
Interest on investments	80.87	45.61
Interest on deposits with banks	1.38	1.58
Other interest income		
- on security deposit	0.86	0.46
Total	3,874.50	2,904.05

31 RENTAL INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Income from lease rentals		
- on operating lease assets	16.83	25.51
- on investment property	0.03	0.03
Total	16.86	25.54

32 FEES AND COMMISSION INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Collection and support services	2.76	6.39
Foreclosure income	35.59	31.72
Insurance commission income	38.70	1.79
Fees on value added services and products	39.83	14.10
Others (cheque bouncing charges, penal charges, etc)	75.38	19.22
Total	192.26	73.22

33 NET GAIN/(LOSS) ON FAIR VALUE CHANGES*

	Year ended March 31, 2025	Year ended March 31, 2024
(A) Net gain/(loss) on financial instruments at fair value through Profit and loss		
On investment	(13.72)	2.15
Total Net gain/(loss) on fair value changes (A)	(13.72)	2.15
(B) Fair Value changes:		
Realised gain/(loss)	(13.72)	1.98
Unrealised gain/(loss)	-	0.17
Total Net gain/(loss) on fair value changes (B)	(13.72)	2.15

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

34 A NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
Gain from derecognition on account of direct assignment transactions	84.95	88.05
Gain on sale of non performing assets net of reversal of provision of ₹ 68.37 crores (March 31, 2024 - ₹ 44.86 crores)	21.19	20.49
Net gain on derecognition of financial instruments	106.14	108.54

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

34 B NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS

	Year ended March 31, 2025	Year ended March 31, 2024
Loss on sale of non performing assets net of reversal of provision of ₹ 163.96 crores (March 31, 2024 - Nil)	(94.41)	-
Net loss on derecognition of financial instruments	(94.41)	-

35 OTHER INCOME

	Year ended March 31, 2025	Year ended March 31, 2024
Sale of power	-	3.69
Net gain on derecognition of lease	0.28	0.83
Net gain on sale of property, plant and equipment	6.18	-
Liabilities no longer required	-	15.19
Miscellaneous income	26.62	18.61
	33.08	38.32

36 FINANCE COST (MEASURED AT AMORTISED COST)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowings other than debt securities	1,354.92	827.36
Interest on debt securities	109.91	80.72
Interest on subordinated liabilities	15.44	18.47
Interest expense on lease liabilities *	16.51	12.50
Other borrowing costs (includes non EIR borrowing expenses)	17.46	15.09
Interest on security deposits	0.85	0.96
	1,515.09	955.10

*Refer Note 43 for disclosure related to leases.

37 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

	Year ended March 31, 2025	Year ended March 31, 2024
Loans	177.13	(535.65)
Other assets	1.14	13.02
Bad debts written-off (includes settlement losses and net of recoveries) *	1,279.90	594.65
Total	1,458.17	72.02

*Includes consideration received on sale of written-off assets ₹ 61.25 crores (March 31, 2024 : ₹ 44.31 crores).

38 EMPLOYEE BENEFITS EXPENSES * ^

	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	487.39	315.39
Contribution to provident and other funds	24.77	18.06
Share based payments to employees	108.90	99.63
Staff welfare expenses	15.16	11.34
	636.22	444.42

* Refer Note 46 for related party disclosure

^ Refer Note 42 for disclosure related to provisions for employee benefits.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

39 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (including investment property)	21.26	28.39
Amortisation on right of use assets (refer note 43)	38.32	25.46
Amortisation of intangible assets	5.52	5.46
	65.10	59.31

40 OTHERS EXPENSES

	Year ended March 31, 2025	Year ended March 31, 2024
Rent	2.86	1.93
Rates and taxes	0.53	1.28
Net loss on sale of property, plant and equipment	-	3.12
Electricity charges	6.82	5.89
Repairs and maintenance		
- Machinery	0.01	0.84
- Others	1.49	1.02
Information technology expenses	111.29	69.00
Communication expenses	10.30	7.38
Printing and stationery	4.54	3.05
Advertisement and publicity	55.53	45.94
Director Fees	5.14	4.17
Legal charges	13.72	17.09
Professional fees*	109.41	30.10
Insurance	0.40	0.57
Travelling and conveyance	12.71	10.56
CSR expenditure**	10.51	2.33
Outsource collection charges	145.07	23.78
Outsourced manpower cost	59.57	62.26
Miscellaneous expenses	25.63	13.32
	575.53	303.63

* Payments to auditors (net of GST credit availed)

	Year ended March 31, 2025	Year ended March 31, 2024
Statutory audit including limited reviews	1.64	1.42
Other services	0.34	0.35
Reimbursement of expenses	0.22	0.10
Total	2.20	1.87

** Details of corporate social responsibility expenditure (“CSR”)

A CSR committee has been formed by the Company as per the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the said Act. The focus area of CSR initiatives undertaken by the Company are education, health and environment. The Company incurs CSR expenses directly.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

40 OTHERS EXPENSES (CONTD.)

	Year ended March 31, 2025	Year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year	10.46	2.33
(b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	10.51	2.33
(c) Shortfall at the end of the year	-	-
(d) Previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities		
i) Various CSR Programs viz., Promoting Education, Women and Empowerment, Financial Literacy and Healthcare for under privileged and Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports		

(g) In case of section 135(6) Details of ongoing project

	(₹ in crores)						
Particulars	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In separate CSR unspent a/c		From Company's Bank A/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
As at March 31, 2025	-	-	10.46	10.51	-	-	-
As at March 31, 2024	-	2.69	2.33	2.33	2.69	-	-

41 EXCEPTIONAL ITEMS

	Year ended March 31, 2025	Year ended March 31, 2024
Gain on disposal of shares of Subsidiary (Refer Note (a) below)	-	2,713.65
Exceptional provision for loan portfolio (Refer Note (b) below)	-	(1,298.31)
Exceptional Write off (Refer Note (c) below)	-	(174.95)
Loss on sale of Windmills (Refer Note (d) below)	-	(9.36)
One time settlement of outstanding litigations (Refer Note (e) below)	-	(9.83)
	-	1,221.20

(a) During the previous year, the Company had sold its investment in Grihum Housing Finance Limited ("GHFL")(Formerly known as Poonawalla Housing Finance Limited). Due to aforesaid sale transaction, GHFL ceased to be a subsidiary of the Company from the effective date (July 26, 2023). The resultant gain of ₹ 2,713.65 crores (net of expenses incurred towards the sale of subsidiary) had been classified and presented as an exceptional item in accordance with Ind AS 1 "Presentation of Financial Statements".

(b) The Company had created a one-time provision of ₹ 1,298.31 crores on discontinued/legacy loan portfolio.

(c) The Company had done one-time additional write-off amounting ₹ 174.95 crores out of discontinued/legacy loan portfolio.

(d) The Company had sold its "windmills" for consideration ₹ 16 crores resulting in loss of ₹ 9.36 crores.

(e) The Company had done one time settlement of old legal cases pertaining to discontinued and legacy loan portfolio amounting to ₹ 9.83 crores.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42 EMPLOYEE BENEFIT PLANS

The Company operates the following post-employment plans -

i. Defined contribution plan

The contribution made to various statutory funds is recognized as expenses and included in Note 38 'Employee benefits expenses' under 'Contribution to provident and other funds' in Statement of Profit and Loss. The detail is as follows :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident and Other Funds	21.50	14.97

ii. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC) & Kotak Mahindra Life Insurance Company Limited. This defined benefit plan expose the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc as defined below.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2025	As at March 31, 2024
Net defined benefit asset	5.28	3.78

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC) and Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below.

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	16.24	20.02	(3.78)	17.42	19.09	(1.67)
Included in statement of Profit and loss						
Current service cost	3.59	-	3.59	3.28	-	3.28
Interest cost/(income)	1.12	(1.44)	(0.32)	1.22	(1.41)	(0.19)
	4.71	(1.44)	3.27	4.50	(1.41)	3.09

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42 EMPLOYEE BENEFIT PLANS (CONTD.)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Included in other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.67	-	0.67	0.20	-	0.20
- experience adjustment	0.82	-	0.82	0.32	-	0.32
Return on plan assets	-	0.47	0.47	-	(1.34)	(1.34)
	1.49	0.47	1.96	0.52	(1.34)	(0.82)
Other						
Contributions paid by the employer	-	6.72	(6.72)	-	4.37	(4.37)
Benefits paid	(1.76)	(1.75)	(0.01)	(6.20)	(6.19)	(0.01)
	(1.76)	4.97	(6.73)	(6.20)	(1.82)	(4.38)
Balance at the end of the year	20.68	25.96	(5.28)	16.24	20.02	(3.78)

C. Plan assets

Particulars	As at March 31, 2025	As at March 31, 2024
Funds managed by		
Life insurance Corporation of India (LIC)	84%	90%
Kotak Mahindra Life Insurnace Co. Ltd. (Kotak Life)	16%	10%
	100%	100%

On an annual basis, an asset-liability matching is done whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

D. Actuarial assumptions

Particulars	As at March 31, 2025	As at March 31, 2024
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate (per annum)	6.67%	7.19%
Salary increase rate (per annum)	5.00%	5.00%
Withdrawal rate:		
Below 40 years (per annum)	18.00%	18.00%
40 years to 54 years (per annum)	7.00%	7.00%
Above 54 years (per annum)	2.00%	2.00%
Expected rate of return on plan assets (per annum)	7.19%	7.39%
Mortality	IALM (2012-14)	IALM (2012-14)
	Ultimate	Ultimate

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42 EMPLOYEE BENEFIT PLANS (CONTD.)

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(20.36)	21.03	(15.99)	16.51
Salary increase rate (0.5% movement)	21.43	(19.98)	16.83	(15.69)
Withdrawal rate (2% movement)	(20.67)	20.71	(16.24)	16.26
Mortality rate (1% movement)	20.69	(20.69)	16.25	(16.25)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at March 31, 2025	As at March 31, 2024
1 year	1.87	1.26
Between 2-5 years	9.61	7.87
Between 6-10 years	9.23	7.93
Over 10 years	7.54	5.88
Total	28.25	22.94

As at March 31, 2025, the weighted-average duration of the defined benefit obligation was 7.36 years (March 31, 2024: 7.35 years).

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate): Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk: The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Future Salary Increase Risk: Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

Demographic Risk: If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42 EMPLOYEE BENEFIT PLANS (CONTD.)

Regulatory Risk: Any changes to the current Regulations by the Government, will increase (in most cases) or decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

iii. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the statement of profit and loss for compensated absences is as under-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Compensated absences	5.45	4.24

43 LEASES

As a lessee the Company classified property leases as operating leases under Ind AS 116.

A. Lease in the capacity of Lessee

a) Nature : Leases considered here are taken for official use.

b) Other disclosures

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1) Depreciation charge for Right of use assets for Leasehold premises (presented under note - 39 "Depreciation, amortisation and impairment")	38.32	25.46
2) Interest expense on lease liabilities (presented under note - 36 "Finance costs")	16.51	12.50
3) Expense relating to short-term leases (presented under note - 40 "Other expenses")	1.91	1.40
4) Payments for principal portion of lease liability	27.91	20.93
5) Additions to right of use assets	95.75	86.96

Particulars	As at March 31, 2025	As at March 31, 2024
6) Carrying amount of right of use assets (presented under note - 16 "Right of use assets")	172.31	117.35
7) Lease liabilities (presented under note - 23 "Lease liabilities")	200.69	135.59

c) Movement in the carrying value of the right of use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	117.35	75.05
Additions during the year	95.75	86.96
Depreciation charge for the year	(38.32)	(25.46)
Adjustment/deletion	(2.47)	(19.20)
Closing balance	172.31	117.35

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

43 LEASES (CONTD.)

d) Movement in the carrying value of the lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	135.59	89.58
Interest expense	16.51	12.50
Lease payments	(44.42)	(33.43)
Additions during the year	95.75	86.96
Adjustment/deletion	(2.74)	(20.02)
Closing balance	200.69	135.59

e) Maturity analysis of lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year	43.92	23.94
1 - 3 years	83.19	53.28
3 - 5 years	48.86	26.54
More than 5 years	24.72	31.83
Total	200.69	135.59

B. Lease in the capacity of Lessor

a) Nature : Operating and finance lease of vehicles primarily to Corporate clients.

b) Company manages the risk associated with any rights it retains in underlying assets as per the terms of the respective lease contracts.

c) Future lease payments

i) At year end, the future lease receivables under operating leases are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1 st Year	13.74	22.33
2 nd Year	7.21	16.04
3 rd Year	2.83	8.13
4 th Year	-	3.26
Total	23.78	49.76

ii) At year end, the future lease receivables under finance leases are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1 st Year	60.50	83.74
2 nd Year	30.01	66.55
3 rd Year	5.64	32.55
4 th Year	-	6.07
Total	96.15	188.91

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

43 LEASES (CONTD.)

d) Reconciliation - Finance lease

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net investment in lease (carrying amount of finance lease)	88.28	163.43
Unearned finance income	7.87	25.48
Total lease payments	96.15	188.91

44 EARNINGS PER EQUITY SHARE (EPS)

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
a) Net profit/(loss) after tax	₹ in crores	(98.34)	2,055.96
b) (i) Weighted average number of equity shares for basic EPS	Nos	771,799,364	768,641,528
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	1,379,075	9,180,774
(iii) Weighted average number of equity shares for diluted EPS	Nos	773,178,439	777,822,302
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	(1.27)	26.75
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	(1.27)	26.43

45 SHARE-BASED PAYMENTS

A Description of share-based payment arrangements

The Company instituted the Employee Stock Option Plan (ESOP) 2007 in 2007, Restricted Stock Option Plan 2014 (RSOP) in 2014, Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company.

ESOP, 2007

Under ESOP 2007, the Company provided for the creation and issue of 1,000,000 options, that would eventually convert into equity shares of ₹ 10/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Company. The options generally vest in a graded manner and are exercisable within 3/4 years from the date of vesting. Following the sub-division of one equity share of the face value of ₹ 10/- each into five equity shares of the face value of ₹ 2/- each during the financial year ended March 31, 2011, the number of options increased from 1,000,000 to 5,000,000. The Nomination and Remuneration Committee of the Company has allotted 3,200 options under ESOP 2007 to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). The scheme is closed as at March 31, 2025.

RSOP, 2014

Under RSOP 2014, the Company provided for the creation and issue of 5,000,000 awards, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The awards are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the exercise price of the face value of ₹ 2/- each. The awards generally will vest in a graded manner and are exercisable within 3 years from the date of vesting. The shareholders of the Company on July 24, 2021 had amended the RSOP 2014 by increasing existing plan pool from 5,000,000 equity shares having face value of ₹ 2 per equity share to 10,000,000 Equity Shares. The Nomination and Remuneration Committee of the Company had allotted awards under RSOP 2014 to the eligible employees of the Company (each award entitles the award holder to 1 equity share of ₹ 2/- each). The scheme is closed as at March 31, 2024.

ESOP, 2021

The shareholders of the Company on July 24, 2021 had instituted ESOP Plan 2021 wherein the Company provided for the creation and issue of 15,000,000 options, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The options are to be granted to the eligible

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45 SHARE-BASED PAYMENTS (CONTD.)

employees at the discretion of the Nomination and Remuneration Committee of the Company and at the fair market value. The options generally will vest in a graded manner and are exercisable within 3 years from the date of vesting (refer note C below for details of modification).

During the year 2,008,740 options were lapsed and added in the pool. The Nomination and Remuneration Committee of the Company has allotted 3,460,538 options under ESOP 2021 to the eligible employees of the Company (each award entitles the award holder to 1 equity share of ₹ 2/- each).

During the year, the Nomination and Remuneration Committee of the Company has granted 40,000 options under ESOP 2021 to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). Further, the Nomination and Remuneration Committee of the Company at its meeting held on June 01, 2024 cancelled ungranted stock options under the Employee Stock Option Plan-2021 ("ESOP - 2021") and that any stock option getting lapsed in future shall also not be reissued.

ESOP - 2024

The shareholders of the Company on February 19, 2024 had instituted ESOP - 2024 through an Employee Welfare Trust. In this regard, the Company had set up Trust named as – PFL Employee Welfare Trust to acquire, purchase, hold and deal in fully paid-up Equity Shares by way of secondary acquisition for the purpose of implementation of the ESOP - 2024. The maximum aggregate number of Options that may be granted and thereby transfer of Shares by the Trust under ESOP - 2024 shall not exceed 15,000,000 Shares. During the year, the Nomination and Remuneration Committee of the Company at its meeting held on June 01, 2024, recommended evaluation for cancellation of ESOP - 2024 through trust route and subsequent dissolution of the PFL Employee Welfare Trust subject to requisite approvals and compliances as per applicable law.

ESOP - 2024 Scheme II

The shareholders of the Company on May 13, 2024 had instituted ESOP - 2024 Scheme II wherein the Company provided for the creation and issue of 20,000,000 options, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the fair market value. The options generally will vest in a graded manner and are exercisable within 36 months from the date of vesting.

During the year, the Nomination and Remuneration Committee of the Company has granted 18,052,000 options under ESOP - 2024 Scheme II to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). During the year 8,000 options were lapsed and added in the pool.

B Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option of Poonawalla Fincorp Limited was ₹ 105.40 (March 31, 2024: ₹ 134.16).

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

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
Fair value at grant date	₹	69.95 - 163.62	128.68 - 193.49
Share price at grant date	₹	276.2 - 478.15	315.10 - 501.55
Exercise price	₹	279.7 - 484.58	297.83 - 498.80
Expected volatility (weighted average volatility)	%	35.96 - 42.28	43.63 - 52.82
Expected life (expected weighted average life)	years	2.1 - 3.09	3.04
Expected dividend Yield	%	0.53 - 1.08	0.10 - 0.63
Risk-free interest rate (based on government bonds)	%	6.46 - 6.99	6.79 - 7.24

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45 SHARE-BASED PAYMENTS (CONTD.)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

C Modification of ESOP plan

During the year ended March 31, 2025, Nomination and Remuneration Committee of the Company has approved modification of vesting schedule for ESOP 2021, in line with ESOP 2024 Scheme II. Under ESOP 2021, the revised vesting schedule provides for the vesting of the total options granted over a 3 year period from earlier vesting schedule of over 4 year period. Accordingly, the Company has accounted the modification in line with Ind AS 102 - 'Share Based Payments'. As a result of modification, there is no incremental fair value for the options modified. The impact on Statement of profit and loss of this modification is ₹ 23.06 crores.

D Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

ESOP, 2007

Particulars	Year ended 31, 2025		Year ended 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	3,200	2.00	57,560	13.16
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	3,200	2.00	45,560	16.11
Less: Lapsed/forfeited during the year	-	-	8,800	2.00
Outstanding options at the end of the year	-	-	3,200	2.00
Options vested and exercisable at the end of the year	-	-	3,200	2.00

There are Nil options outstanding as at March 31, 2025. The exercise price of the options outstanding as at March 31, 2024 had an exercise price of ₹ 2 per option.

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ 488.05 (March 31, 2024: ₹ 371.16).

RSOP 2014

Particulars	Year ended 31, 2025		Year ended 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	5,233,161	2.98
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	5,194,665	2.72
Less: Lapsed/forfeited during the year	-	-	38,496	38.21
Outstanding options at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45 SHARE-BASED PAYMENTS (CONTD.)

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ Nil (March 31, 2024: ₹ 464.30).

ESOP, 2021

Particulars	Year ended 31, 2025		Year ended 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	10,106,632	262.00	10,991,975	234.71
Add: Granted during the year	40,000	484.58	3,542,500	321.91
Less: Exercised during the year	3,460,538	230.46	1,362,845	211.33
Less: Lapsed/forfeited during the year	2,008,740	272.36	3,064,998	255.89
Outstanding options at the end of the year	4,677,354	282.80	10,106,632	262.00
Options vested and exercisable at the end of the year	2,352,278	264.49	376,752	242.28

The options outstanding at March 31, 2025 have an exercise price in the range of ₹ 164.42 to ₹ 498.80 (March 31, 2024: ₹ 164.42 to ₹ 498.80) and a weighted average remaining contractual life of years 0.78 years (March 31, 2024: 2.48 years).

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ 400.59 (March 31, 2024: ₹ 402.48).

ESOP, 2024 Scheme II

Particulars	Year ended 31, 2025		Year ended 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	-	-
Add: Granted during the year	18,052,000	430.00	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	8,000	448.55	-	-
Outstanding options at the end of the year	18,044,000	429.99	-	-
Options vested and exercisable at the end of the year	-	-	-	-

The options outstanding at March 31, 2025 have an exercise price in the range of ₹ 279.70 to ₹ 471.55 (March 31, 2024: Nil) and a weighted average remaining contractual life of years 2.33 years (March 31, 2024: Nil).

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was Nil (March 31, 2024: Nil).

E Equity shares reserved for issue under options

Particulars	No. of options granted	Exercise price (₹)	Year ended 31, 2025		Year ended 31, 2024	
			No. of options	Amount	No. of options	Amount
Under ESOP 2007:						
Tranche 27	92,000	2.00	-	-	3,200	0.00
Under ESOP 2021:						
Tranche 1	1,500,000	175.48	200,000	0.04	350,000	0.07
Tranche 2	4,325,750	164.42	178,197	0.04	1,164,630	0.23
Tranche 4	2,092,050	238.55	254,858	0.05	1,426,935	0.29
Tranche 5	3,941,400	251.28	911,445	0.18	1,645,492	0.33

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45 SHARE-BASED PAYMENTS (CONTD.)

Particulars	No. of options granted	Exercise price (₹)	Year ended 31, 2025		Year ended 31, 2024	
			No. of options	Amount	No. of options	Amount
Tranche 6	1,361,500	230.45	316,809	0.06	1,097,350	0.22
Tranche 7	311,250	229.29	35,000	0.01	270,125	0.05
Tranche 8	1,437,000	307.89	483,395	0.10	603,100	0.12
Tranche 9	412,500	298.95	230,450	0.05	364,000	0.07
Tranche 10	567,500	297.83	243,000	0.05	265,000	0.05
Tranche 11	330,000	311.78	120,200	0.02	330,000	0.07
Tranche 12	300,000	307.06	-	-	300,000	0.06
Tranche 13	640,000	329.90	369,000	0.07	590,000	0.12
Tranche 14	200,000	391.82	-	-	200,000	0.04
Tranche 15	80,000	379.06	75,000	0.02	75,000	0.02
Tranche 16	40,000	377.00	35,000	0.01	40,000	0.01
Tranche 17	1,000,000	300.26	1,000,000	0.20	1,000,000	0.20
Tranche 18	200,000	321.19	-	-	200,000	0.04
Tranche 19	20,000	370.80	20,000	0.00	20,000	0.00
Tranche 20	100,000	376.36	100,000	0.02	100,000	0.02
Tranche 21	50,000	498.80	50,000	0.01	50,000	0.01
Tranche 22	15,000	462.30	15,000	0.00	15,000	0.00
Tranche 23	40,000	484.58	40,000	0.01	-	-
Under ESOP 2024 Scheme II:						
Tranche 1	132,000	448.55	124,000	0.02	-	-
Tranche 2	50,000	358.84	50,000	0.01	-	-
Tranche 3	8,000,000	459.58	8,000,000	1.60	-	-
Tranche 4	2,000,000	471.55	2,000,000	0.40	-	-
Tranche 5	230,000	438.53	230,000	0.05	-	-
Tranche 6	1,500,000	471.55	1,500,000	0.30	-	-
Tranche 7	270,000	409.55	270,000	0.05	-	-
Tranche 8	300,000	471.55	300,000	0.06	-	-
Tranche 9	50,000	405.18	50,000	0.01	-	-
Tranche 10	100,000	349.93	100,000	0.02	-	-
Tranche 11	300,000	401.70	300,000	0.06	-	-
Tranche 12	500,000	390.60	500,000	0.10	-	-
Tranche 13	300,000	382.63	300,000	0.06	-	-
Tranche 14	600,000	403.20	600,000	0.12	-	-
Tranche 15	845,000	393.48	845,000	0.17	-	-
Tranche 16	200,000	361.10	200,000	0.04	-	-
Tranche 17	100,000	327.88	100,000	0.02	-	-
Tranche 18	60,000	368.28	60,000	0.01	-	-
Tranche 19	10,000	358.90	10,000	0.00	-	-
Tranche 20	300,000	360.00	300,000	0.06	-	-
Tranche 21	75,000	363.83	75,000	0.02	-	-
Tranche 22	60,000	356.15	60,000	0.01	-	-
Tranche 23	310,000	353.95	310,000	0.06	-	-
Tranche 24	14,000	320.43	14,000	0.00	-	-
Tranche 25	425,000	320.30	425,000	0.09	-	-

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45 SHARE-BASED PAYMENTS (CONTD.)

Particulars	No. of options granted	Exercise price (₹)	Year ended 31, 2025		Year ended 31, 2024	
			No. of options	Amount	No. of options	Amount
Tranche 26	185,000	321.98	185,000	0.04	-	-
Tranche 27	370,000	310.85	370,000	0.07	-	-
Tranche 28	176,000	321.68	176,000	0.04	-	-
Tranche 29	315,000	312.18	315,000	0.06	-	-
Tranche 30	75,000	287.15	75,000	0.02	-	-
Tranche 31	150,000	279.70	150,000	0.03	-	-
Tranche 32	50,000	285.93	50,000	0.01	-	-

Amount recognised in Statement of profit and loss

Year ended March 31, 2025: ₹ 108.90 crores

Year ended March 31, 2024: ₹ 99.63 crores

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24)

(i) Name of related parties and description of relationship (entities / person with whom the Company has transactions):

A Holding Company

Rising Sun Holdings Private Limited

B Subsidiary ^

Grihum Housing Finance Limited ("GHFL") (Formerly known as Poonawalla Housing Finance Limited) (ceases to be subsidiary company w.e.f July 26, 2023)

C Fellow Subsidiary

Poonawalla Finance Private Limited

D Member of Promoter group

Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)

E Joint Venture

Jaguar Advisory Services Private Limited

F Key Managerial Personnel ('KMP')	Nature of Relationship
Mr. Adar Cyrus Poonawalla	Chairman & Non Executive Director
Mr. Arvind Kapil	Managing Director and Chief Executive Officer (Appointed w.e.f. June 10, 2024)
Mr. Abhay Bhutada	Managing Director (ceased to be Director w.e.f. June 09, 2024)
Mr. Sunil Samdani	Whole - Time Director (Appointed w.e.f. October 20, 2023)
Mr. Sanjay Miranka	Chief Financial Officer
Mrs. Shabnum Zaman	Company Secretary
Mr. Bontha Prasada Rao	Independent Non Executive Director
Mrs. Vijayalakshmi R Iyer	Independent Non Executive Director (ceased to be Director w.e.f. January 30, 2024)
Mr. Prabhakar Dalal	Independent Non Executive Director
Mr. Sajid Fazalbhoy	Non Executive Director (ceased to be Director w.e.f. June 01, 2024)
Mr. Amar Sudhakar Deshpande	Non Executive Director (ceased to be Director w.e.f. August 30, 2024)
Mr. G Jaganmohan Rao	Independent Non Executive Director (ceased to be Director w.e.f. August 26, 2023)
Mr. Sanjay Kumar	Independent Non Executive Director

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

F Key Managerial Personnel ('KMP')	Nature of Relationship
Mr. Atul Kumar Gupta	Independent Non Executive Director (ceased to be Director w.e.f. December 09, 2024)
Ms. Kemisha Soni	Independent Non Executive Director (W.e.f. January 30, 2024)
Ms. Sonal Sanjay Modi	Non Executive Director (W.e.f. August 16, 2024)
Mr. Kewal Kundanlal Handa	Independent Non Executive Director (W.e.f. October 01, 2024)
Mr. Rajeev Sardana	Independent Non Executive Director (W.e.f. December 18, 2024)

(ii) Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Transaction value for the year ended March 31, 2025	Outstanding amount as at March 31, 2025	Transaction value for the year ended March 31, 2024	Outstanding amount as at March 31, 2024
A) Holding Company					
Rising Sun Holdings Private Limited	Dividend paid	-	-	191.68	-
B) Subsidiary					
Grihum Housing Finance Limited ("GHFL") (Formerly known as Poonawalla Housing Finance Limited)	Inter corporate loan given	-	-	300.00	-
	Inter corporate loan refunded	-	-	300.00	-
	Direct assignment servicing fees paid	-	-	0.04	-
	Interest income on inter corporate loan given	-	-	4.80	-
	Sale of property plant and equipment	-	-	0.08	-
C) Fellow Subsidiary					
Poonawalla Finance Private Limited	Purchase of property plant and equipment	-	-	3.76	-
	Leave and license agreement:				
	Rent paid	18.54	-	18.55	-
	Electricity expenses	-	-	0.09	-
	Security deposit paid	-	3.63	-	3.63
	Loan given to PFL employee welfare trust	-	175.00	175.00	175.00
	Interest on loan given to employee welfare trust	15.75	-	0.86	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

Name of related party	Nature of transaction	Transaction value for the year ended March 31, 2025	Outstanding amount as at March 31, 2025	Transaction value for the year ended March 31, 2024	Outstanding amount as at March 31, 2024
D) Member of Promoter group					
1 Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)	Insurance advances given	18.41	2.19	11.73	1.05
	Insurance advances adjusted	17.26	-	12.02	-
	Claims received	-	-	0.01	-
	Insurance commission income	5.92	0.70	1.79	0.21
	Insurance premium paid (net)	6.07	-	5.14	-
	Advance for mediclaim policy	-	0.11	6.08	6.17
	Redemption of public issue of NCD	75.00	-	-	75.00
	Interest accrued but not due on NCD	-	-	7.12	7.12
	Interest Paid on NCD	7.88	-	7.88	-
E) Joint venture					
1 Jaguar Advisory Services Private Limited	Investment in equity shares	-	0.02	-	0.02
F) Key Managerial Personnel					
1 Mr. Adar Cyrus Poonawalla	Sitting fees	0.08	-	0.06	-
2 Mr. Arvind Kapil	Director's remuneration	45.66	-	-	-
3 Mr. Abhay Bhutada	Director's remuneration	0.42	-	5.00	-
	Share based payments	-	-	236.21	-
	Share Capital	-	-	1.02	-
	Dividend paid	-	-	1.00	-
4 Mr. Sunil Samdani	Salary	4.93	-	2.48	-
5 Mr. Sanjay Miranka	Salary	2.86	-	4.97	-
	Share based payments	2.16	-	6.06	-
	Share Capital	0.02	-	0.07	-
	Securities Premium	2.49	-	5.90	-
	Dividend paid	-	-	0.07	-
6 Mrs. Shabnum Zaman	Salary	1.10	-	0.75	-
	Share based payments	-	-	0.70	-
	Share Capital	-	-	0.00	-
	Securities Premium	-	-	0.45	-
	Dividend paid	-	-	0.00	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

Name of related party	Nature of transaction	Transaction value for the year ended March 31, 2025	Outstanding amount as at March 31, 2025	Transaction value for the year ended March 31, 2024	Outstanding amount as at March 31, 2024
7 Mr. Bontha Prasada Rao	Sitting fees	0.24	-	0.16	-
	Commission	0.50	0.50	0.50	0.50
8 Mrs. Vijayalakshmi R Iyer	Sitting fees	-	-	0.16	-
9 Mr. Prabhakar Dalal	Sitting fees	0.33	0.01	0.29	-
	Commission	0.50	0.50	0.50	0.50
10 Mr. Sajid Fazalbhoy	Sitting fees	0.02	-	0.09	-
11 Mr. Amar Sudhakar Deshpande	Sitting fees	0.22	-	0.37	-
12 Mr. G Jaganmohan Rao	Sitting fees	-	-	0.15	-
13 Mr. Sanjay Kumar	Sitting fees	0.27	-	0.23	-
	Commission	0.50	0.50	0.50	0.50
14 Mr. Atul Kumar Gupta	Sitting fees	0.26	-	0.21	-
	Commission	-	-	0.50	0.50
15 Ms. Kemisha Soni	Sitting fees	0.24	0.01	0.01	-
	Commission	0.50	0.50	0.08	0.08
16 Ms. Sonal Sanjay Modi	Sitting fees	0.24	0.01	-	-
	Commission	0.31	0.31	-	-
17 Mr. Kewal Kundanlal Handa	Sitting fees	0.08	-	-	-
	Commission	0.25	0.25	-	-
18 Mr. Rajeev Sardana	Sitting fees	0.04	-	-	-
	Commission	0.14	0.14	-	-

Notes :

- Related parties identified includes related parties as per section 2(76) of the Companies Act, 2013.
- Sitting fees and KMP's commission values are excluding of GST.

^ The Company has sold its stake in Grihum Housing Finance Limited (Formerly known as Poonawalla Housing Finance Limited) on July 26, 2023 and it ceased to be a related party from July 26, 2023. Accordingly, transaction and outstanding as at July 25, 2023 are reported.

(iii) Compensation of key managerial personnel

	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	54.06	12.77
Post-employment defined benefit*	0.91	0.43
Share-based payments	2.16	242.97
	57.13	256.17

*Excludes provision for encashable leave and gratuity for key management personnel as these are determined for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year, in respect of loan and advances are unsecured and to be settled in cash and / or adjusted against goods or services.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	24.65	-	24.65	255.18	-	255.18
Bank balances other than cash and cash equivalents	7.62	0.02	7.64	13.32	0.04	13.36
Derivative financial instruments	-	2.82	2.82	-	-	-
Receivables	18.71	-	18.71	28.66	-	28.66
Loans	12,145.30	20,549.66	32,694.96	10,223.60	11,822.81	22,046.41
Investments	1,298.05	43.58	1,341.63	766.37	111.96	878.33
Other financial assets	118.95	63.24	182.19	195.14	62.67	257.81
	13,613.28	20,659.32	34,272.60	11,482.27	11,997.48	23,479.75
Non-financial assets						
Current tax assets (net)	-	141.51	141.51	-	171.70	171.70
Deferred tax assets (net)	-	205.48	205.48	-	163.42	163.42
Investment property	-	0.07	0.07	-	0.07	0.07
Property, plant and equipment	-	55.01	55.01	-	59.78	59.78
Intangible assets under development	-	10.43	10.43	-	0.26	0.26
Other intangible assets	-	16.41	16.41	-	17.00	17.00
Right of use assets	45.33	126.98	172.31	25.94	91.41	117.35
Other non-financial assets	38.53	66.89	105.42	7.02	19.85	26.87
	83.86	622.78	706.64	32.96	523.49	556.45
Assets held for sale	0.02	-	0.02	0.02	-	0.02
	13,697.16	21,282.10	34,979.26	11,515.25	12,520.97	24,036.22
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	1.66	1.66	-	-	-
Payables	4.25	-	4.25	3.37	-	3.37
Debt securities	450.00	1,213.99	1,663.99	522.46	704.63	1,227.09
Borrowings (other than debt securities)	13,390.89	10,588.08	23,978.97	7,446.69	6,169.44	13,616.13
Subordinated liabilities	111.56	126.03	237.59	-	236.91	236.91
Lease liabilities	43.92	156.77	200.69	23.94	111.65	135.59
Other financial liabilities	699.86	-	699.86	587.29	9.97	597.26
	14,700.48	12,086.53	26,787.01	8,583.75	7,232.60	15,816.35
Non-financial liabilities						
Current tax liabilities (net)	0.24	-	0.24	0.01	-	0.01
Provisions	1.51	11.16	12.67	0.66	7.87	8.53
Other non-financial liabilities	24.71	30.65	55.36	74.69	20.24	94.93
	26.46	41.81	68.27	75.36	28.11	103.47
	14,726.94	12,128.34	26,855.28	8,659.11	7,260.71	15,919.82

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

48 CONTINGENT LIABILITIES

Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt		
i) Income tax matters under dispute	2.65	4.01
ii) VAT and GST matters under dispute	7.31	6.65
iii) Service tax matters under dispute	6.18	8.03
iv) Legal cases against the Company*	2.26	0.90

* The Company is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities.

b) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision has been created.

c) The Company has certain litigations pending with various appellate authorities which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements.

d) Commitments

Particulars	As at March 31, 2025	As at March 31, 2024
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	19.45	3.01
ii) Bank Guarantees provided	0.32	0.30
iii) Undrawn loan commitments	516.13	-

e) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts

49 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities.

Particulars	As at March 31, 2025			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	24.65	-	-	24.65
Bank balances other than cash and cash equivalents	7.64	-	-	7.64
Derivative Financial Instruments	-	-	2.82	2.82
Receivables	18.71	-	-	18.71
Loans	32,694.96	-	-	32,694.96
Investments*	654.63	184.04	502.96	1,341.63
Other financial assets	182.19	-	-	182.19
	33,582.78	184.04	505.78	34,272.60

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

49 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

Particulars	As at March 31, 2025			
	Amortised cost	FVTPL	FVTOCI	Total
Financial liabilities:				
Derivative financial instruments	-	-	1.66	1.66
Payables	4.25	-	-	4.25
Debt securities	1,663.99	-	-	1,663.99
Borrowings (other than debt securities)	23,978.97	-	-	23,978.97
Subordinated liabilities	237.59	-	-	237.59
Lease liabilities	200.69	-	-	200.69
Other financial liabilities	699.86	-	-	699.86
	26,785.35	-	1.66	26,787.01

*Investment in joint venture has been reclassified as assets held for sale as on March 31, 2025.

Particulars	As at March 31, 2024			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	255.18	-	-	255.18
Bank balances other than cash and cash equivalents	13.36	-	-	13.36
Receivables	28.66	-	-	28.66
Loans	22,046.41	-	-	22,046.41
Investments**	366.57	207.98	303.78	878.33
Other financial assets	257.81	-	-	257.81
	22,967.99	207.98	303.78	23,479.75
Financial liabilities:				
Payables	3.37	-	-	3.37
Debt securities	1,227.09	-	-	1,227.09
Borrowings (other than debt securities)	13,616.13	-	-	13,616.13
Subordinated liabilities	236.91	-	-	236.91
Lease liabilities	135.59	-	-	135.59
Other financial liabilities	597.26	-	-	597.26
	15,816.35	-	-	15,816.35

**Investment in subsidiary and joint venture has been reclassified as assets held for sale as on March 31, 2024.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value: and
- (b) measured at amortised cost / other and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

49 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	505.88	181.11	-	686.99
Derivative Financial Instruments	-	2.82	-	-
Financial liabilities:				
Derivative Financial Instruments	-	1.66	-	-

Assets and liabilities which are measured at amortised cost / others for which fair values are disclosed

As at March 31, 2025	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	24.65	24.65	24.65	-	-
Bank balances other than cash and cash equivalents	7.64	7.64	7.64	-	-
Receivables	18.71	18.71	-	-	18.71
Loans	32,694.96	32,681.26	-	-	32,681.26
Investments	654.63	654.63	650.98	3.65	-
Other financial assets	182.19	182.19	-	-	182.19
	33,582.78	33,569.08	683.27	3.65	32,882.16
Financial liabilities:					
Payables	4.25	4.25	-	-	4.25
Debt securities	1,663.99	1,678.95	-	1,678.95	-
Borrowings (other than debt securities)	23,978.97	23,978.97	-	23,978.97	-
Subordinated liabilities	237.59	244.03	-	244.03	-
Lease liabilities	200.69	200.69	-	-	200.69
Other financial liabilities	699.86	699.86	-	-	699.86
	26,785.35	26,806.75	-	25,901.95	904.80

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	303.78	207.98	-	511.76

Assets and liabilities which are measured at amortised cost / others for which fair values are disclosed

As at March 31, 2024	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	255.18	255.18	255.18	-	-
Bank balances other than cash and cash equivalents	13.36	13.36	13.36	-	-
Receivables	28.66	28.66	-	-	28.66
Loans	22,046.41	22,010.85	-	-	22,010.85
Investments	366.57	366.57	350.27	16.30	-
Other financial assets	257.81	257.81	-	-	257.81
	22,967.99	22,932.43	618.81	16.30	22,297.32

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

49 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

Financial liabilities:					
Payables	3.37	3.37	-	-	3.37
Debt securities	1,227.09	1,231.74	-	1,231.74	-
Borrowings (other than debt securities)	13,616.13	13,616.13	-	13,616.13	-
Subordinated liabilities	236.91	252.97	-	252.97	-
Lease liability	135.59	135.59	-	-	135.59
Other financial liabilities	597.26	597.26	-	-	597.26
	15,816.35	15,837.06	-	15,100.84	736.22

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash in hand, balances with other banks, receivables, payables and certain other financial assets and liabilities, with maturities less than a year from the balance sheet date. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Financial assets and liabilities measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Investment	NAV based method.	Not applicable	Not applicable

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT

In the normal course of doing its business the company is exposed to certain inherent financial risks in the form of credit risk, market risk, operational risk, liquidity risk, interest rate risk, compliance risk, reputational risk, etc.

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event.
- When a borrower becomes more than 90 days past due in its contractual payments.

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

In case of newly launched products, where the Company does not have sufficient historical data to estimate PD, it uses industry level aggregate data obtained from credit bureaus, or third-party data providers or performance of an existing product which closely resembles the new product. In case of wholesale lending products where external credit rating is available, PD rates are derived from such external credit rating grades. In case of products having maturity less than 12 months, a tenure adjustment is undertaken on annualised PD rates to address shorter tenure of the product. Expected loss has been calculated as an unbiased and probability-weighted amount for multiple scenarios.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

The probability of default has been calculated for 3 scenarios: upside (16% probability), downside (16%) and base (68%). These weightages have been decided on best practices and expert judgement.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes more than 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date, and
- significant increase in credit risk on other financial instruments of same borrower

d) Exposure at default (EAD)

The exposure at default (EAD) for ECL computation represents the principal outstanding, installment overdue, accrued interest, future interest post discounting as key components and some other adjustments of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

For newly launched products, where historical collection data is not available or is insufficient, the Company either uses the collection performance of an existing product which closely resembles the new product or industry level aggregate data obtained from credit bureaus/third-party data providers, or regulatory guidance available if any. In case of certain loan products having an inherent unsecured component (e.g. loans where Loan-to-Value is greater than 100%), the LGD rate is derived through a combination of respective secured and unsecured LGD rates.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Similarly, if external credit rating of a corporate borrower is downgraded to non-investment grade from investment grade, the credit risk is deemed to have increased significantly from the initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) **Stage 1: 12- months ECL:** For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
- (b) **Stage 2: Lifetime ECL, not credit-impaired:** For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) **Stage 3: Lifetime ECL, credit-impaired:** Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized on net basis.

h) Expected Credit Loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 90 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed models and other historical data and where the Company does not have sufficient historical data, it uses regulatory guidance available, if any or benchmark rates obtained from external sources like research agencies, credit bureaus, or publicly available information. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

In case of any portfolio or a segment thereof showing abnormal delinquency behaviour, the ECL approach is reviewed and adjusted to reflect adequate provisioning in line with the risk profile. The Company also provides for expected credit loss on undrawn loan commitments wherever applicable.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL models and accordingly, Company has used Consumer Price Index (CPI) as the relevant ME variable. Overtime, new ME variables may emerge to have a better correlation and may replace ME being used now.

Policy on write off of loan assets

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of Profit and loss on actual realization from customer.

The following table provides information about the exposure to credit risk and expected credit loss for assets on finance.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

Loans measured at amortised cost

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at March 31, 2025				
Current (not past due)	31,806.92	1.07%	340.33	No
Upto 30 days overdue	588.27	16.09%	94.64	No
More than 30 days and upto 60 days overdue	410.57	24.04%	98.72	No
More than 60 days and upto 90 days overdue	212.96	33.68%	71.73	No
More than 90 days overdue	618.65	54.47%	336.99	Yes
	33,637.37	2.80%	942.41	

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at March 31, 2024				
Current (not past due)	21,406.91	3.09%	662.36	No
Upto 30 days overdue	755.05	11.30%	85.30	No
More than 30 days and upto 60 days overdue	453.49	17.84%	80.90	No
More than 60 days and upto 90 days overdue	161.48	23.42%	37.82	No
More than 90 days overdue	268.45	49.39%	132.59	Yes
	23,045.38	4.33%	998.97	

Expected credit loss on trade and other receivables

Trade/other receivables primarily includes receivables against support services, operating lease and sale of power. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. It holds the trade/other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost, less loss allowance.

Cash and cash equivalents and bank balance other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 32.29 crores at March 31, 2025 (March 31, 2024: ₹ 268.54 crores). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows :

(i) Movements in the gross carrying amount in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Gross carrying amount on 1 April 2023	14,417.84	867.68	225.10
Transfer to Stage 1	81.64	(78.27)	(3.37)
Transfer to Stage 2	(234.06)	235.86	(1.80)
Transfer to Stage 3	(103.95)	(38.00)	141.95
Loan assets originated or purchased (net of repayments)	17,473.46	227.97	583.44
Loan assets that have been derecognised / repaid (excluding write offs)	(9,031.95)	(425.40)	(97.86)
Write offs	(441.02)	(174.87)	(579.01)
Gross carrying amount on March 31, 2024	22,161.96	614.97	268.45

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Transfer to Stage 1	27.47	(21.82)	(5.65)
Transfer to Stage 2	(317.46)	318.45	(0.99)
Transfer to Stage 3	(358.17)	(37.64)	395.81
Loan assets originated or purchased (net of repayments)	23,042.46	209.11	441.14
Loan assets that have been derecognised / repaid (excluding write offs)	(11,265.47)	(228.84)	(58.55)
Write offs	(895.60)	(230.70)	(421.56)
Gross carrying amount on March 31, 2025	32,395.19	623.53	618.65

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

(ii) Movements in the allowance for impairment in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2023	102.26	74.94	103.97
Transfer to Stage 1	7.65	(6.67)	(0.98)
Transfer to Stage 2	(40.34)	40.87	(0.53)
Transfer to Stage 3	(44.67)	(20.74)	65.41
Loan assets originated or purchased	489.20	48.98	78.49
Loan assets that have been derecognised / repaid (excluding write offs)	283.49	9.94	(55.42)
Write offs	(49.93)	(28.60)	(58.35)
Loss allowance on March 31, 2024	747.66	118.72	132.59
Transfer to Stage 1	2.59	(2.30)	(0.29)
Transfer to Stage 2	(73.68)	73.86	(0.19)
Transfer to Stage 3	(187.09)	(16.02)	203.11
Loan assets originated or purchased	208.99	84.33	274.49
Loan assets that have been derecognised / repaid (excluding write offs)	216.01	(12.15)	(30.19)
Write offs	(479.51)	(75.99)	(242.53)
Loss allowance on March 31, 2025	434.97	170.45	336.99

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

(iii) Movements in ECLs in relation to trade receivable and undrawn loan commitments is as follows :

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on April 1, 2023	0.25	-	-
Add: Provision made during the year	13.02	-	-
Less: Write off/write back of excess ECL during the year	-	-	-
Loss allowance on March 31, 2024	13.27	-	-
Add: Provision made during the year	2.39	0.11	-
Less: Write off/write back of excess ECL during the year	-	-	-
Loss allowance on March 31, 2025	15.66	0.11	-

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Upon renegotiation, such accounts are classified as Stage 2 or Stage 3 depending upon nature and status of account at the time of renegotiation. Such accounts are upgraded only upon observation of satisfactory repayments of one year from the date of renegotiation.

Exposure to modified financial assets not resulting in de-recognition :

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount	24.72	55.76
Loss allowance	5.91	9.40
Net carrying amount	18.81	46.36

(i) Concentration risk

Pursuant to the guidelines of the RBI, credit exposure to an single borrower must not exceed 25% of owned fund and 40% of owned fund of the Company to any single group of borrower. The Company is in compliance with these guidelines.

In addition, the Company views the concentration of risk on the basis of below product category.

Loans (carrying value)	As at March 31, 2025	As at March 31, 2024
Asset backed finance (ABF)	5,306.31	4,474.82
Loan against property (LAP)	8,753.87	4,541.84
Personal and Professional Loan	8,352.04	6,647.37
Small and medium enterprise (SME)	5,972.62	5,206.61
NBFC and Corporate lending	5,252.53	2,174.74
Total	33,637.37	23,045.38

Loans (%)	As at March 31, 2025	As at March 31, 2024
Asset backed finance (ABF)	15.78%	19.42%
Loan against property (LAP)	26.02%	19.71%
Personal and Professional Loan	24.83%	28.84%
Small and medium enterprise (SME)	17.76%	22.59%
NBFC and Corporate lending	15.61%	9.44%
Total	100.00%	100.00%

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

Fair value of collateral relating to credit impaired financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Collateral value of underlying assets	299.94	443.66

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper, non-convertible debentures and other debt instruments including term loans & external commercial borrowings. Cash Credit / WCDL limits are renewed on annual basis and are therefore revolving in nature.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at March 31, 2025	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	1.66	1.66	-	1.66	-	-
Payables	4.25	4.25	4.25	-	-	-
Debt securities	1,663.99	1,947.90	537.40	871.06	539.44	-
Borrowings (other than debt securities)	23,978.97	26,522.48	14,528.51	9,248.94	2,745.03	-
Subordinated liabilities	237.59	275.48	133.83	141.65	-	-
Lease liabilities	200.69	245.87	59.53	102.53	56.54	27.27
Other financial liabilities	699.86	699.86	699.86	-	-	-
Total	26,787.01	29,697.50	15,963.38	10,365.84	3,341.01	27.27

As at March 31, 2024	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Payables	3.37	3.37	3.37	-	-	-
Debt securities	1,227.09	1,356.05	578.78	771.32	0.98	4.97
Borrowings (other than debt securities)	13,616.13	15,187.53	8,075.03	4,376.58	2,563.19	172.73
Subordinated liabilities	236.91	303.15	22.28	263.25	17.62	-
Lease liabilities	135.59	175.30	35.60	69.03	34.12	36.55
Other financial liabilities	597.26	597.26	587.29	9.97	-	-
Total	15,816.35	17,622.66	9,302.35	5,490.15	2,615.91	214.25

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

iv. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹. In cases where the borrowings are denominated in foreign currency, the Company uses derivatives to manage market risks.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and funding requirements for its day to day operations like short-term loans.

The Company has USD denominated liability (External commercial borrowings) at floating rate of interest causing volatility in the cash flow arising on principal and interest repayment.

Management aims to hedge the volatility with appropriate derivative instruments. Accordingly, the Company entered has into cross currency swaps with tenor and maturity matching with the underlying cashflow.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed rate instruments		
Financial assets	25,518.73	18,937.91
Financial liabilities	8,579.61	4,672.88
Variable rate instruments		
Financial assets	8,753.87	4,541.84
Financial liabilities	18,207.40	11,143.47

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 bps in interest rate at the reporting date would have increased or decreased Profit and loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at March 31, 2025		
Variable rate instruments	(94.54)	94.54
As at March 31, 2024		
Variable rate instruments	(66.02)	66.02

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year-end balances are not necessarily representative of the average debt outstanding during the year. This analysis assumes that all other variables remain constant.

b) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External commercial borrowings i.e unfavourable movement in the USD INR conversion rate charged by the bank on USD loan repayment and interest settlement from time to time. The Company has hedged the entire ECB exposure for the full tenure as per Board approved Risk Management Policy. The Company has entered into cross currency swaps with strategy which aims to hedge a defined portion of the exposure to USD-INR exchange rate volatility on borrowings and interest repayable in USD.The Company's risk management policy is to hedge 100% of its foreign currency exposure. The Company uses Cross Currency Swaps to hedge its currency risk and applies a hedge ratio of 1 : 1. The Asset Liability Committee periodically reviews and monitors risk involved in the transactions. These contracts are designated as cash flow hedges. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In these hedge relationships, there are no hedge ineffectiveness because it is hedged to extent of 100% of principal and interest amount of external commercial borrowings.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
	Exposure*	
External commercial borrowings	1,477.40	-
Notional amount of derivative instrument	1,477.40	-

*The amount mentioned are in functional currency INR (₹) however the underlying exposure is in USD (\$)

Hedging framework

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Nature and conditions of outstanding derivative contacts :

	Contractual cash flows			
Particulars	Notional Amounts	Fair value asset	Fair value liability	Effective portion of Cash flow hedge reserve
Cash flow hedge				
Cross currency swaps				
March 31, 2025	1,477.40	2.82	1.66	(12.68)
March 31, 2024	-	-	-	-

Refer Note 47 for maturity analysis of derivative financial instruments.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

50 FINANCIAL RISK MANAGEMENT (CONTD.)

Legal and operational risk

Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements. The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced. As at March 31, 2025, there were legal cases pending against the Company aggregating ₹ 2.26 crores (March 31, 2024: ₹ 0.90 crores). Based on the opinion of the Company's legal advisors, the management believes that no substantial liability is likely to arise from these cases.

Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP).
2. Third party risk management through Outsourcing Risk Policy and SOP.
3. Well defined Governance Structure.
4. Use of Identification & Monitoring tools and like Risk Control Self- Assessment (RCSA), Key Risk Indicators (KRIs), Risk Appetite Statements (RAS) and Control testing.
5. Standardized reporting templates, reporting structure and frequency.
6. Regular workshops and training for enhancing awareness and risk culture.

The Company has adopted the globally accepted 3-lines of defense approach to risk management.

First line – Each function / vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is “bottom-up”, ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line – Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line – Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

During the year ended March 31, 2025, the Operational Risk (OR) team has helped to identify, assess, monitor and mitigate risks across the organization. RCSA exercises, Internal Finance Control ('IFC') testing and KRI monitoring have been conducted for key business units / support functions, and action plans have been developed to plug process gaps. Apart from this quarterly RAS monitoring and Outsourcing Risk management was also undertaken during the Financial year. The OR team helps senior management monitor risks through quarterly reporting of OR information to the Operational Risk Management Committee (ORMC) and the RMC.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

51 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at April 1, 2024	Loan Taken	Loan Paid	Non Cash Changes*	As at March 31, 2025
Debt securities	1,227.09	959.92	(522.68)	(0.34)	1,663.99
Borrowings (other than debt securities)	13,616.13	19,129.67	(8,781.20)	14.37	23,978.97
Subordinated liabilities	236.91	-	-	0.68	237.59
Lease liabilities	135.59	-	(44.42)	109.52	200.69
Total Liabilities from financing activities	15,215.72	20,089.59	(9,348.30)	124.23	26,081.24

Particulars	As at April 1, 2023	Loan Taken	Loan Paid	Non Cash Changes*	As at March 31, 2024
Debt securities	950.24	500.00	(225.00)	1.85	1,227.09
Borrowings (other than debt securities)	9,804.07	10,564.26	(6,752.90)	0.70	13,616.13
Subordinated liabilities	365.27	-	(129.12)	0.76	236.91
Lease liabilities	89.58	-	(33.43)	79.44	135.59
Total Liabilities from financing activities	11,209.16	11,064.26	(7,140.45)	82.75	15,215.72

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

52 CAPITAL MANAGEMENT

The Company actively manages capital base to cover risks inherent in the business and meets the Capital Adequacy Requirements (CRAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The primary objectives of the capital management policy is to ensure that the company complies with regulatory capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. There is no changes in the capital management process from the previous year.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements :

- Tier 1 capital, which includes ordinary share capital, retained earnings,perpetual debt and reserves and deduction for intangible assets,deferred tax asset and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities and impairment provision in respect of Stage 1 assets as per the regulations.

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR (%)	22.94	33.80
CRAR -Tier I Capital (%)	21.67	32.28
CRAR -Tier II Capital (%)	1.27	1.52

ii. Capital allocation

The management uses regulatory capital ratios to monitor its capital base. There is no allocation of capital required as Company is operating primarily in a single segment i.e., financing.

53 OPERATING SEGMENTS

The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108. The Executive Committee of the Company has been identified as the Chief Operating Decision Maker (CODM) pursuant to the requirements of Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are reviewed regularly by the CODM for the purpose of allocation of resources and evaluation of performance.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 OPERATING SEGMENTS (CONTD.)

The Company does not have operations outside India and hence there is no external revenue or assets which require disclosure.

The Company does not derives revenue, from any single customer, 10% or more of company's total income.

54 REVENUE FROM CONTRACTS WITH CUSTOMERS (DISCLOSURE AS REQUIRED BY IND AS 115)

(a) Below table provides disaggregation of revenue from contracts with customers:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Revenue by type of service		
Fees and commission income	192.26	73.22
Other income	7.05	22.30
Total	199.31	95.52
Revenue by geographical markets		
India	199.31	95.52
Outside India	-	-
Total	199.31	95.52
Revenue by timing of recognition of revenue		
Performance obligation satisfied at a point in time	199.31	95.52
Performance obligation satisfied over period of time	-	-
Total	199.31	95.52

Particulars	As at March 31, 2025	As at March 31, 2024
(b) Trade Receivables	18.39	22.39
	18.39	22.39

55 ADDITIONAL INFORMATION

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b) The quarterly information statement filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- c) The Company has not been declared as Wilful defaulter by any banks, financial institution or other lenders
- d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.
- f) The Company have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except loans or advances given in normal course of business.
- g) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except loans or advances given in normal course of business.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

55 ADDITIONAL INFORMATION (CONTD.)

- h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- i) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Company used accounting software to maintain its books of account for the year ended March 31, 2025, with audit trail (edit log) features enabled at both application and database levels, in line with the requirements of MCA notification. However, for one of the accounting software, the audit trail logs at the database level were preserved effective June 26, 2024 onwards.
- k) Relationship with Struck off Companies :
Disclosure of transactions with the companies struck off -

Name of Struck off company	Nature of transactions with struck off Companies	Balance outstanding as at March 31, 2025	Relationship with the Struck off companies
SRM Resources Private Limited	Loan receivables	0.12	External
Impression Plus Concept Solution	Loan receivables	0.19	External
J P Visa Services Private Limited	Loan receivables	0.37	External
Krishna Kripa Trade Link Private Limited	Loan receivables	0.14	External

- l) The Company has not entered into any scheme of arrangements which has an accounting impact on current/previous financial year.
- m) The Company has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2025 and March 31, 2024.

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS*

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(a) Capital

Particulars	As at March 31, 2025	As at March 31, 2024
(i) CRAR (%)	22.94	33.80
(ii) CRAR -Tier I Capital (%)	21.67	32.28
(iii) CRAR -Tier II Capital (%)	1.27	1.52
(iv) Subordinated Debt as Tier-II capital*	23.84	65.45
(v) Amount of Perpetual Debt Instruments outstanding as at year end	28.48	28.38
(vi) Amount raised during the year by issue of Perpetual Debt Instruments	-	-

*Discounted value of Tier II bonds considered for the purpose of Tier II capital.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(b) Investments

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Value of Investments		
(i) Gross Value of Investments		
(a) In India	1,341.65	878.35
(b) Outside India	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net Value of Investments		
(a) In India	1,341.65	878.35
(b) Outside India	-	-
(II) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write off/write back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Includes investment classified as assets held for sale in joint venture of ₹ 0.02 crores as on March 31, 2025 (March 31, 2024 : ₹ 0.02 crores).

(c) Derivative

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Forward rate agreements / interest rate swaps		
(i) The notional principal of swap agreements	1,477.40	-
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	2.82	-
(iii) Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book (net)	1.16	-
(II) Exchange traded interest rate derivatives		
The company has not traded in exchange traded interest rate derivatives during March 31, 2025 and March 31, 2024		
(III) Disclosures on risk exposure in derivatives		
Details for qualitative disclosure are part of accounting policy as per financial statements (Refer note no. 2(I) & 50(iv))		
Quantitative disclosures		
(i) Derivatives (notional principal amount) for hedging*	1,477.40	-
(ii) Mark to market positions		
(a) Asset (+)	2.82	-
(b) Liability(-)	(1.66)	-
(iii) Credit exposure	-	-
(iv) Unhedged exposure	-	-

*The Company has hedged its foreign currency borrowings through Cross currency swaps.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(d) Asset Liability Management - Maturity pattern of certain items of Assets and Liabilities

As at March 31, 2025

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Years to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	1,256.20	210.18	539.94	1,514.90	1,405.76	2,763.54	4,454.78	12,258.31	2,964.83	5,326.52	32,694.96
Investments	496.64	103.57	107.49	83.24	102.60	99.52	304.99	40.39	1.32	1.87	1,341.63
Borrowings*	-	36.78	479.91	2,517.92	1,821.97	888.58	8,207.29	8,887.33	3,040.77	-	25,880.55
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2024

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31days	Over 1 Month upto 2 Months	Over 2 Months upto 3 Months	Over 3 Months to 6 Months	Over 6 Months to 1 Year	Over 1 Years to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	856.46	533.29	694.40	1,566.85	1,328.14	2,205.13	3,039.33	7,178.24	1,866.92	2,777.65	22,046.41
Investments	353.64	3.37	8.15	14.72	93.13	62.12	231.23	95.84	7.42	8.71	878.33
Borrowings*	50.00	-	60.37	1,937.63	806.38	632.08	4,482.70	4,567.87	2,369.68	173.42	15,080.13
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*includes foreign currency borrowings of ₹ 1,493.46 crores (previous year Nil).

(e) Exposures

Particulars	As at March 31, 2025	As at March 31, 2024
1 Exposure to real estate sector		
i) Direct exposure		
(a) Residential mortgages-		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits	4,773.67	2,192.60
(b) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family, residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	190.41	159.08
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
1) Residential	-	-
2) Commercial Real Estate	-	-
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	818.10	423.80
Total Exposure to Real Estate Sector	5,782.18	2,775.48

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Particulars	As at March 31, 2025	As at March 31, 2024
2 Exposure to Capital Market		
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	55.20	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
(ix) Financing to stockbrokers for margin trading;	200.85	-
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total Exposure to Capital Market	256.05	-

3 Details of financing of parent company products

The Company has not financed any products of parent Company in the financial year ended March 31, 2025 and March 31, 2024.

4 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the financial year ended March 31, 2025 and March 31, 2024.

5 Unsecured advances

	As at March 31, 2025	As at March 31, 2024
Unsecured advances	14,526.11	11,854.83

There are no unsecured advances given against intangible securities such as charge over the rights, licenses, authority, etc. during the financial year ended March 31, 2025 and March 31, 2024.

The above unsecured advances includes advances covered by bank/government guarantees amounting to ₹ 0.54 crores (March 31, 2024: ₹ 32.38 crores).

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

6 Intra Group Exposures

There are no Intra-group exposures as on March 31, 2025 and March 31, 2024.

7 Unhedged Foreign Currency Exposures

There are no unhedged foreign currency exposures as on March 31, 2025 and March 31, 2024.

(f) Transactions with related parties
For the year ended March 31, 2025

Sr. No.	Items	Parent (as per ownership or control)			Subsidiaries			Associates/ Joint venture			Directors			Relatives of Directors		
		Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-	-	-
6	Purchase of fixed assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
7	Sale of fixed assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
8	Interest paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
9	Interest received	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
10	Others	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Repayment of advances	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Security deposits paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Remuneration	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Share based payments	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Dividend paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Others*	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Total	-	-	-	-	-	-	0.02	0.02	0.02	4.72	2.72	-	-	-	-

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Related Parties	Key Management Personnel#			Relatives of Key Management Personnel			Others			Total		
	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	75.00	175.00	250.00	75.00	175.00	250.00
2	Deposits	-	-	-	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	18.41	2.31	7.02	18.41	2.31	7.02
5	Investments	-	-	-	-	-	-	-	-	-	0.02	0.02
6	Purchase of fixed assets	-	-	NA	-	NA	-	-	NA	-	-	NA
7	Sale of fixed assets	-	-	NA	-	NA	-	-	NA	-	-	NA
8	Interest paid	-	-	NA	-	NA	23.63	-	NA	23.63	-	NA
9	Interest received	-	-	NA	-	NA	-	-	NA	-	-	NA
10	Others	-	-	-	-	-	-	-	-	-	-	-
	Rent paid	-	-	NA	-	NA	-	-	NA	-	-	NA
	Repayment of advances	-	-	NA	-	NA	-	-	NA	-	-	NA
	Security deposits paid	-	-	NA	-	NA	-	-	NA	-	-	NA
	Remuneration	54.97	-	NA	-	NA	-	3.63	NA	-	3.63	NA
	Share based payments	2.16	-	NA	-	NA	-	-	NA	-	-	NA
	Dividend paid	-	-	NA	-	NA	-	-	NA	-	-	NA
	Others*	2.51	-	NA	-	NA	11.99	0.70	NA	19.22	3.42	NA
	Total	59.64	-	-	-	-	164.83	181.64	257.02	229.19	184.38	257.04

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(f) Transactions with related parties
For the year ended March 31, 2024

Related Parties		Parent (as per ownership or control)			Subsidiaries			Associates/Joint venture			Directors			Relatives of Directors		
Sr. No.	Items	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	300.00	-	300.00	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	-	0.02	0.02	-	-	-	-	-	-
6	Purchase of fixed assets	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
7	Sale of fixed assets	-	-	NA	0.08	-	NA	-	-	NA	-	-	-	NA	-	NA
8	Interest paid	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
9	Interest received	-	-	NA	4.80	-	NA	-	-	NA	-	-	-	NA	-	NA
10	Others	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
	Repayment of advances	-	-	NA	300.00	-	NA	-	-	NA	-	-	-	NA	-	NA
	Security deposits paid	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
	Remuneration	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
	Share based payments	-	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
	Dividend paid	191.68	-	NA	-	-	NA	-	-	NA	-	-	-	NA	-	NA
	Others*	-	-	NA	0.04	-	NA	-	-	NA	3.83	2.08	-	NA	-	NA
	Total	191.68	-	-	604.92	-	300.00	-	0.02	0.02	3.83	2.08	-	-	-	-

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Related Parties		Key Management Personnel#			Relatives of Key Management Personnel			Others			Total		
Items		Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year	Transaction Value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	175.00	250.00	250.00	175.00	250.00	250.00
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	17.82	7.21	12.15	317.82	7.21	312.15
5	Investments	-	-	-	-	-	-	-	-	-	-	0.02	0.02
6	Purchase of fixed assets	-	-	NA	-	NA	NA	3.76	-	NA	3.76	-	NA
7	Sale of fixed assets	-	-	NA	-	NA	NA	-	-	NA	0.08	-	NA
8	Interest paid	-	-	NA	-	NA	NA	8.74	-	NA	8.74	-	NA
9	Interest received	-	-	NA	-	NA	NA	-	-	NA	4.80	-	NA
10	Others	-	-	-	-	-	-	-	-	-	-	-	-
	Rent paid	-	-	NA	-	NA	NA	18.55	-	NA	18.55	-	NA
	Repayment of advances	-	-	NA	-	NA	NA	12.02	-	NA	312.02	-	NA
	Security deposits paid	-	-	NA	-	NA	NA	-	3.63	NA	-	3.63	NA
	Remuneration	13.20	-	NA	-	NA	NA	-	-	NA	13.20	-	NA
	Share based payments	242.97	-	NA	-	NA	NA	-	-	NA	242.97	-	NA
	Dividend paid	1.07	-	NA	-	NA	NA	-	-	NA	192.75	-	NA
	Others*	7.45	-	NA	-	NA	NA	14.15	7.33	NA	25.47	9.41	NA
	Total	264.69	-	-	-	-	-	250.04	268.17	262.15	1,315.16	270.27	562.17

* For detailed breakup, please refer note no. 4.6

(g) Registration obtained from other financial sector regulators

Regulator	Registration no.	Date of registration / renewal
1 Ministry of Corporate Affairs	L51504PN1978PLC209007	December 18, 1978
2 Insurance Regulatory and Development Authority	CA0154 (Composite)	March 17, 2022

(h) Details of penalties imposed by the RBI and other regulators

During the year ended March 31, 2025, RBI levied a penalty of ₹ 0.10 crores (previous year : Nil) relating to Fair Practices Code for NBFCs.



Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(i) Details of ratings assigned by credit rating agencies and migration of ratings during the year

Nature	Date of rating assigned #	Rating assigned	Previous rating assigned
1. Secured debentures	01-Aug-24	CRISIL AAA	CRISIL AAA
	25-Mar-25	CARE AAA	CARE AAA
	06-Nov-24	ACUITE AAA	ACUITE AAA
	14-Feb-25	BWR AAA	BWR AA+
2. Subordinated debentures	01-Aug-24	CRISIL AAA	CRISIL AAA
	25-Mar-25	CARE AAA	CARE AAA
	06-Nov-24	ACUITE AAA	ACUITE AAA
	14-Feb-25	BWR AAA	BWR AA+
3. Perpetual debt instruments	01-Aug-24	CRISIL AA+	CRISIL AA+
	25-Mar-25	CARE AA+	CARE AA+
4. Market Linked Debentures	25-Mar-25	CARE PP-MLD AAA	CARE PP-MLD AAA
5. Commercial papers	01-Aug-24	CRISIL A1+	CRISIL A1+
	25-Mar-25	CARE A1+	CARE A1+
6. Bank facility	01-Aug-24	CRISIL AAA/A1+	CRISIL AAA
	25-Mar-25	CARE AAA/ A1+	CARE AAA/ A1+

Date of rating assigned relates to rating valid on March 31, 2025

(j) Remuneration of non-executive Directors

Refer note : 46 for detailed disclosure of related party transactions

Name of directors	Nature of payment	Year ended March 31, 2025	Year ended March 31, 2024
1 Mr. Adar Cyrus Poonawalla	Sitting Fees	0.08	0.06
2 Mr. Bontha Prasada Rao	Sitting Fees	0.24	0.16
	Commission	0.50	0.50
3 Mrs. Vijayalakshmi R Iyer	Sitting Fees	-	0.16
4 Mr. Prabhakar Dalal	Sitting Fees	0.33	0.29
	Commission	0.50	0.50
5 Mr. Sajid Fazalbhoy	Sitting Fees	0.02	0.09
6 Mr. Amar Sudhakar Deshpande	Sitting Fees	0.22	0.37
7 Mr. G Jaganmohan Rao	Sitting Fees	-	0.15
	Sitting Fees	0.27	0.23
8 Mr. Sanjay Kumar	Commission	0.50	0.50
	Sitting Fees	0.26	0.21
9 Mr. Atul Kumar Gupta	Commission	-	0.50
	Sitting Fees	0.24	0.01
10 Ms. Kemisha Soni	Commission	0.50	0.08
	Sitting Fees	0.24	-
11 Ms. Sonal Sanjay Modi	Commission	0.31	-
	Sitting Fees	0.08	-
12 Mr. Kewal Kundanlal Handa	Commission	0.25	-
	Sitting Fees	0.04	-
13 Mr. Rajeev Sardana	Commission	0.14	-
	Sitting Fees	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(k) Loans and contracts awarded to directors, senior officers and relatives of directors

Particulars	Loans	Contracts	Total
Year ended March 31, 2025			
Directors and their relatives	-	-	-
Entities associated with directors and their relatives	-	-	-
Senior officers and their relatives	-	-	-
Year ended March 31, 2024			
Directors and their relatives	-	-	-
Entities associated with directors and their relatives	-	-	-
Senior officers and their relatives	-	-	-

(l) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown in the Statement of Profit and Loss	Year ended March 31, 2025	Year ended March 31, 2024
Under "Impairment on financial instruments"		
1 Provision for stage 1 and 2	(259.60)	(572.98)
2 Provision for stage 3	436.73	37.33
3 Other provisions	1.14	13.02
Under "Tax expenses"		
Provision made towards income tax (includes deferred tax)	(37.06)	482.58
Under "Employee Benefit Expenses"		
Provision for compensated absences	5.45	4.24

(m) Concentration of Advances, Exposures and NPAs

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1 Concentration of Advances		
Total advances to twenty largest borrowers	2,583.43	1,810.31
Percentage of advances to twenty largest borrowers to total advances	7.7%	7.9%
2 Concentration of Exposures		
Total exposure to twenty largest borrowers/ customers	2,583.43	1,810.31
Percentage of exposures to twenty largest borrowers/ customers to total exposure on borrowers/ customers	7.7%	7.9%
3 Concentration of NPAs		
Total exposure to top four NPA accounts	61.84	6.50

4 Sector-wise NPAs (Percentage of NPAs to Total Advances in that sector)

Sr.No.	Sector	Year ended March 31, 2025	Year ended March 31, 2024
1	Agriculture and allied activities	7.47%	29.76%
2	MSME	0.81%	0.51%
3	Corporate borrowers	0.89%	0.80%
4	Services	0.85%	0.38%
5	Unsecured personal loans	3.04%	1.01%
6	Auto loans	3.21%	3.10%
7	Other personal loans (housing loans)	2.53%	3.51%

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

5 Sectoral Exposure

Sectors	Year ended March 31, 2025			Year ended March 31, 2024		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	% of Gross NPAs to total exposure in that sector
1. Agriculture & Allied Activities	2.32	0.17	7.47%	19.32	5.75	29.76%
2. Industry	9,618.84	78.61	0.82%	6,646.54	38.47	0.58%
a) Food Processing	1,158.51	15.67	1.35%	852.04	5.92	0.69%
b) Textiles	1,173.71	9.69	0.83%	643.25	3.82	0.59%
c) Other Industries	7,286.62	53.25	0.73%	5,151.25	28.73	0.56%
3. Services	9,025.19	76.89	0.85%	4,450.78	16.83	0.38%
a) NBFCs	4,730.38	48.85	1.03%	2,174.74	-	-
b) Other Services	4,294.81	28.04	0.65%	2,276.04	16.83	0.74%
4. Personal Loans	14,991.02	462.98	3.09%	11,928.74	207.40	1.74%
a) Vehicle	4,667.29	150.02	3.21%	3,936.16	121.90	3.10%
b) Other Personal Loans	10,323.73	312.96	3.03%	7,992.58	85.50	1.07%
5. Others	-	-	-	-	-	-
Total (1+2+3+4+5)	33,637.37	618.65	1.84%	23,045.38	268.45	1.16%

This disclosure is based on the sectoral return submitted to the RBI and represents sector-wise exposures of on-balance sheet items.

(n) Movement of NPAs

	Year ended March 31, 2025	Year ended March 31, 2024
i) Net NPAs to Net Advances (%)	0.85%	0.59%
ii) Movement of NPAs (Gross)		
a) Opening balance	268.45	225.10
b) Additions during the year	613.90	210.60
c) Reductions during the year	263.70	167.25
d) Closing balance	618.65	268.45
iii) Movement of Net NPAs		
a) Opening balance	135.85	121.13
b) Additions during the year	279.15	107.30
c) Reductions during the year	133.34	92.57
d) Closing balance	281.66	135.86
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	132.60	103.97
b) Provisions made during the year	335.24	111.45
c) Write-off / write-back of excess provisions	130.85	82.83
d) Closing balance	336.99	132.59

The movement in gross NPA disclosure excludes newly classified NPA loan accounts that were written off during the year.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(o) Overseas Assets and off- balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

1 Overseas Assets

The Company does not have any overseas assets as at March 31, 2025 and March 31, 2024.

2 Off- Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at March 31, 2025 and March 31, 2024.

(p) Disclosure of complaints

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

Sr. No	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
	Complaints received by the NBFC from its customers	2,901	3,571
1	Number of complaints pending at beginning of the year	57	37
2	Number of complaints received during the year	2,901	3,571
3	Number of complaints disposed during the year	2,571	3,551
3.1	Of which, number of complaints rejected by the NBFC	1,025	168
4	Number of complaints pending at the end of the year	387	57
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	* Number of maintainable complaints received by the NBFC from Office of Ombudsman	140	174
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	140	174
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	2	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	* Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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

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

2 Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2025					
Impolite behaviour	11	776	450%	176	-
CIBIL Related	8	431	-60%	25	-
Calling Related/ Payment Follow -up Related	0	278	100%	43	-
Dispute in Bounce, Penal & Other Charges	2	246	130%	10	-
Misrepresentation of information	6	161	58%	18	-
Total	27	1892		272	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended March 31, 2024					
CIBIL Related	14	1080	200%	8	-
NOC issues	0	222	111%	2	-
Moratorium Related	2	189	110%	5	-
Settlement related	2	176	120%	3	-
Closure	2	162	25%	8	-
Total	20	1829		26	-

(q) Disclosures as required by the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

During the year ended March 31, 2025, 53 frauds (March 31, 2024: 07 frauds) have been identified by management aggregating to ₹ 1.59 crores (March 31, 2024: ₹ 2.00 crores) by the employees, customers or third party and have been reported to RBI.

(r) Liquidity Coverage Ratio (LCR) disclosures and Public disclosure on liquidity risk

1 Liquidity Coverage Ratio (LCR) disclosures

Qualitative disclosure

Liquidity Coverage Ratio (LCR) is a tool for measuring and promoting short term resilience of the Company to potential liquidity disruptions by ensuring maintenance of sufficient unencumbered high quality liquid assets (HQLAs) to survive at severe stress scenario lasting for 30 calendar days. The Reserve Bank of India (RBI) introduced LCR requirement for all deposit-taking NBFCs and non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above. The ratio comprises of HQLAs as numerator and net cash outflows in next 30 calendar days as denominator.

HQLA computation consist of two parts i.e.

- (i) Assets to be included as HQLA without any haircut i.e. cash, government securities, etc. and
- (ii) Assets to be considered for HQLA with haircuts (ranging 15% to 50%) which comprises of investments in highly rated non-financial corporate bonds and listed equity investments which are considered at prescribed haircuts.

The average HQLA for the quarter ended March 31, 2025 of ₹ 1,609.08 crores (for the quarter ended March 31, 2024: ₹ 961.63 crores) comprised of ₹ 53.10 crores (previous year: ₹ 137.39 crores) in cash in hand and bank and remaining ₹ 1,555.98 crores (previous year: ₹ 824.23 crores) from Government securities.

In order to determine net cash outflows, the Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per regulations, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows or 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by its total net cash outflow.

The LCR requirement has been inducted in a phased manner with Company required to maintain minimum LCR of 50% from December 1, 2020 eventually increasing to 100% by December 1, 2024. The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold for all the quarters during the current financial year. The Company has maintained an average

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

LCR of 126.33% for the quarter ended March 31, 2025 (for the quarter ended March 31, 2024: 130.62%) as against minimum regulatory requirement of 100 % (March 31, 2024 : 85%). The Company has maintained average HQLAs of ₹ 1,609.08 crores for the quarter ended March 31, 2025 (for the quarter ended March 31, 2024 : ₹ 961.63 crores).

Apart from LCR, the Company also uses various liquidity indicators to measure the liquidity risk in terms of funding stability, concentration risk i.e. concentration by significant counter-parties and concentration by significant instruments / product, stock ratios, etc.

The Company has adopted the liquidity risk framework as required under the RBI regulation. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee (ALCO). ALCO reviews asset liability management (ALM) and ensures that there are no excessive concentration of either assets or liability side of the balance sheet. Liquidity risk is managed in accordance with the ALM policy. The same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements of the Company.

Quantitative disclosure

Year ended March 31, 2025

Particulars	Quarter ended June 30, 2024		Quarter ended September 30, 2024		Quarter ended December 31, 2024		Quarter ended March 31, 2025	
	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#	Total Unweighted Value (average)*	Total Weighted Value (average)#
High Quality Liquid Assets (HQLA)								
Total High Quality Liquid Assets	984.17	984.17	1,388.40	1,388.40	1,297.05	1,297.05	1,609.08	1,609.08
Cash Outflows								
Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
Unsecured wholesale funding	944.51	1,086.18	1,234.35	1,419.50	1,239.84	1,425.81	1,551.39	1,784.10
Secured wholesale funding	1,686.33	1,939.28	1,726.16	1,985.09	1,839.80	2,115.77	2,097.86	2,412.53
Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	313.75	360.81	292.96	336.89	313.25	360.23	324.36	373.01
Other contingent funding obligations	-	-	-	-	598.30	688.05	456.68	525.19
TOTAL CASH OUTFLOWS	2,944.59	3,386.27	3,253.47	3,741.48	3,991.19	4,589.86	4,430.29	5,094.83

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Particulars	Quarter ended June 30, 2024		Quarter ended September 30, 2024		Quarter ended December 31, 2024		Quarter ended March 31, 2025	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
Cash Inflows								
Secured lending^	3,105.75	2,329.31	3,498.88	2,624.16	4,295.35	3,221.52	5,253.06	3,939.80
Inflows from fully performing exposures	1,832.75	1,374.56	1,768.66	1,326.50	1,603.71	1,202.79	1,905.83	1,429.37
Other cash inflows	156.25	117.19	180.47	135.35	102.18	76.63	71.15	53.36
TOTAL CASH INFLOWS	5,094.75	3,821.06	5,448.01	4,086.01	6,001.24	4,500.94	7,230.04	5,422.53
TOTAL HQLA		984.17		1,388.40		1,297.05		1,609.08
TOTAL NET CASH OUTFLOWS		846.57		935.37		1,147.46		1,273.71
LIQUIDITY COVERAGE RATIO (%)		116.25%		148.43%		113.04%		126.33%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow wherever applicable.

^ Includes unutilized CC/ WCDL limit.

HQLA includes cash on hand, bank balances and Government securities.

Year ended March 31, 2024

Particulars	Quarter ended June 30, 2023		Quarter ended September 30, 2023		Quarter ended December 31, 2023		Quarter ended March 31, 2024	
	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)*
High Quality Liquid Assets (HQLA)								
Total High Quality Liquid Assets	597.99	597.99	599.67	599.67	815.76	815.76	961.63	961.63
Cash Outflows								
Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
Unsecured wholesale funding	320.24	368.27	706.74	812.75	727.17	836.25	789.56	907.99
Secured wholesale funding	1,313.24	1,510.23	777.06	893.62	1,321.78	1,520.05	1,501.94	1,727.23
Additional requirements, of which								
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

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Other contractual funding obligations	149.84	172.32	150.27	172.81	181.47	208.69	269.19	309.57
Other contingent funding obligations	-	-	-	-	-	-	-	-
TOTAL CASH OUTFLOWS	1,783.32	2,050.82	1,634.07	1,879.18	2,230.42	2,564.99	2,560.69	2,944.79
Cash Inflows								
Secured lending ##	2,871.57	2,153.67	5,023.19	3,767.39	4,135.22	3,101.41	2,606.66	1,955.00
Inflows from fully performing exposures	1,377.82	1,033.37	1,889.23	1,416.92	1,711.08	1,283.31	1,989.37	1,492.03
Other cash inflows	173.30	129.98	196.45	147.34	203.32	152.49	179.37	134.53
TOTAL CASH INFLOWS	4,422.69	3,317.02	7,108.87	5,331.65	6,049.62	4,537.21	4,775.40	3,581.56
TOTAL HQLA		597.99		599.67		815.76		961.63
TOTAL NET CASH OUTFLOWS		512.71		469.79		641.25		736.20
LIQUIDITY COVERAGE RATIO (%)		116.64%		127.65%		127.21%		130.62%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective stress factors on inflow and outflow.

Includes unutilized bank lines

HQLA includes cash on hand, bank balances and Government securities

2 Public disclosure on liquidity risk

Year ended March 31, 2025

1) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
21	23,333.86	Not Applicable	86.89%

2) Top 20 large deposits (amount and % of total deposits)

- Not applicable

3) Top 10 borrowings (amount and % of total borrowings)

Amount	% of Total Borrowings
18,145.88	70.11%

4) Funding Concentration based on significant instrument/product

Sr no	Name of the Instrument / Product	Amount	% of Total Liabilities
1	Non Convertible Debentures	1,663.99	6.20%
2	Term Loans	13,993.19	52.11%
3	Working Capital (Cash credit & WCDL)	5,607.67	20.88%
4	Commercial Paper	4,378.11	16.30%
5	Subordinate Debt & Perpetual Debt	237.59	0.88%

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

5) Stock Ratios:

Particulars	Ratios
a) Commercial Paper as a % of total public funds	16.92%
Commercial Paper as a % of total liabilities	16.30%
Commercial Paper as a % of total assets	12.52%
b) Non convertible debentures (Original maturity of less than 1 year) as a % of total public funds	Nil
Non convertible debentures (Original maturity of less than 1 year) as a % of total liabilities	Nil
Non convertible debentures (Original maturity of less than 1 year) as a % of total assets	Nil
c) Other short-term liabilities as a % of total public funds	39.98%
Other short-term liabilities as a % of total liabilities	38.53%
Other short-term liabilities as a % of total assets	29.58%

Other short term liabilities include all contractual obligation payable within a period of 1 year excluding commercial paper.

6) Institutional set-up for liquidity risk management

Board constituted Asset Liability committee (ALCO) reviews Asset Liability Management (ALM). It also ensures that there are no excessive concentration of either assets or liability side of the balance sheet.

ALM is monitored as a regular process and necessary steps are taken wherever required. Company also maintains sufficient liquidity buffer through credit lines and other means to meet its liability when they are due, under both normal and stressed conditions in a timely manner. Maturity profile of financial assets and financial liabilities is assessed along with borrowing and business and as a part of review of liquidity position.

The Company has obtained fund and non-fund based working capital lines and Term Loans from various banks and financial institutions. Further, the Company has access to funds from debt markets through non-convertible debentures and other debt instruments. Cash Credit/WCDL limits are renewed on annual basis and are therefore revolving in nature. The Company also manages liquidity by raising funds through Securitisation/assignment transactions.

Liquidity risk is managed in accordance with ALM policy. Same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements.

Year ended March 31, 2024

1) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount	% of Total deposits	% of Total Liabilities
19	13,964.58	Not Applicable	87.72%

2) Top 20 large deposits (amount and % of total deposits)

- Not applicable

3) Top 10 borrowings (amount and % of total borrowings)

Amount	% of Total Borrowings
11,598.30	76.91%

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

4) Funding Concentration based on significant instrument/product

S.No	Name of the Instrument / Product	Amount	% of Total Liabilities
1	Non Convertible Debentures	1,227.09	7.71%
2	Term Loans	7,682.55	48.26%
3	Working Capital (Cash credit & WCDL)	3,560.57	22.37%
4	Commercial Paper	2,373.01	14.91%
5	Subordinate Debt & Perpetual Debt	236.91	1.49%

5) Stock Ratios:

Particulars	Ratios
a) Commercial Paper as a % of total public funds	15.74%
Commercial Paper as a % of total liabilities	14.91%
Commercial Paper as a % of total assets	9.87%
b) Non convertible debentures (Original maturity of less than 1 year) as a % of total public funds	Nil
Non convertible debentures (Original maturity of less than 1 year) as a % of total liabilities	Nil
Non convertible debentures (Original maturity of less than 1 year) as a % of total assets	Nil
c) Other short-term liabilities as a % of total public funds	41.68%
Other short-term liabilities as a % of total liabilities	39.49%
Other short-term liabilities as a % of total assets	26.15%

(s) Comparison between provisions required under IRACP and impairment allowances made under IND AS 109

Year ended March 31, 2025

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Performing Assets						
Standard	Stage 1	32,395.19	434.97	31,960.22	129.83	305.14
	Stage 2	623.53	170.45	453.08	4.44	166.01
Subtotal		33,018.72	605.42	32,413.30	134.27	471.15
Non-Performing Assets						
Sub-standard	Stage 3	613.76	334.32	279.44	61.38	272.94
Subtotal		613.76	334.32	279.44	61.38	272.94
Doubtful						
upto 1 year	Stage 3	4.65	2.56	2.09	2.23	0.33
1 to 3 years	Stage 3	0.24	0.11	0.13	0.10	0.01
More than 3 years	Stage 3	-	-	-	-	-
Subtotal		4.89	2.67	2.22	2.33	0.34
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		618.65	336.99	281.66	63.71	273.28

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms #	Stage 1	515.30	1.25	514.05	-	1.25
	Stage 2	0.83	0.11	0.72	-	0.11
	Stage 3	-	-	-	-	-
Subtotal		516.13	1.36	514.77	-	1.36
Total	Stage 1	32,910.49	436.22	32,474.27	129.83	306.39
	Stage 2	624.36	170.56	453.80	4.44	166.12
	Stage 3	618.65	336.99	281.66	63.71	273.28
	Total	34,153.50	943.77	33,209.73	197.98	745.79

Loss allowance of ₹ 1.36 crores on undrawn loan commitments has been included under “Provisions”.

Year ended March 31, 2024

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Performing Assets						
Standard	Stage 1	22,161.96	747.66	21,414.30	89.38	658.28
	Stage 2	614.97	118.72	496.25	6.28	112.44
Subtotal		22,776.93	866.38	21,910.55	95.66	770.72
Non-Performing Assets						
Sub-standard	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	225.84	111.49	114.35	22.58	88.91
Subtotal		225.84	111.49	114.35	22.58	88.91
Doubtful						
upto 1 year	Stage 3	22.39	11.42	10.97	8.87	2.55
1 to 3 years	Stage 3	16.49	5.95	10.54	9.10	(3.15)
More than 3 years	Stage 3	3.73	3.73	-	1.92	1.81
Subtotal		42.61	21.10	21.51	19.89	1.21
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		268.45	132.59	135.86	42.47	90.12

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	22,161.96	747.66	21,414.30	89.38	658.28
	Stage 2	614.97	118.72	496.25	6.28	112.44
	Stage 3	268.45	132.59	135.86	42.47	90.12
	Total	23,045.38	998.97	22,046.41	138.13	860.84

*Includes interest reversal on Stage 3 assets

The restructured assets have been provided for accordingly under Ind AS, subject to minimum provisioning requirement as per RBI guidelines.

(t) Detail of restructured advances
As at March 31, 2025

		Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1, 2024	No of borrowers	174	70	8	-	252
	Amount Outstanding	2.97	0.87	0.06	-	3.90
	Provision thereon	0.31	0.48	0.04	-	0.83
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	1	(1)	-	-	-
	Amount Outstanding	0.02	(0.02)	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total
"Write-offs/ Settlements/ Recoveries of restructured accounts during the year"	No of borrowers	(146)	(69)	(8)	-	(223)
	Amount Outstanding	(2.48)	(0.85)	(0.06)	-	(3.39)
	Provision thereon	(0.27)	(0.48)	(0.04)	-	(0.79)
Restructured Accounts as on March 31, 2025	No of borrowers	29	-	-	-	29
	Amount Outstanding	0.51	-	-	-	0.51
	Provision thereon	0.04	-	-	-	0.04

Amount of movement in respective blocks includes recovery made during the year

		Others				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1, 2024	No of borrowers	1,183	239	6	-	1,428
	Amount Outstanding	42.77	8.51	0.58	-	51.86
	Provision thereon	4.95	3.11	0.51	-	8.57
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	4	(4)	-	-	-
	Amount Outstanding	0.25	(0.25)	-	-	-
	Provision thereon	0.03	(0.03)	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(48)	48	-	-	-
	Amount Outstanding	(3.33)	3.33	-	-	-
	Provision thereon	(2.97)	2.97	-	-	-
Write-offs/ Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(538)	(232)	(6)	-	(776)
	Amount Outstanding	(18.88)	(8.19)	(0.58)	-	(27.65)
	Provision thereon	0.86	(3.05)	(0.51)	-	(2.70)
Restructured Accounts as on March 31, 2025	No of borrowers	601	51	-	-	652
	Amount Outstanding	20.81	3.40	-	-	24.21
	Provision thereon	2.87	3.00	-	-	5.87

Amount of movement in respective blocks includes recovery made during the year

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Total				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on April 1, 2024	No of borrowers	1,357	309	14	-	1,680
	Amount Outstanding	45.74	9.38	0.64	-	55.76
	Provision thereon	5.26	3.59	0.55	-	9.40
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	5	(5)	-	-	-
	Amount Outstanding	0.27	(0.27)	-	-	-
	Provision thereon	0.03	(0.03)	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(48)	48	-	-	-
	Amount Outstanding	(3.33)	3.33	-	-	-
	Provision thereon	(2.97)	2.97	-	-	-
Write-offs/ Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(684)	(301)	(14)	-	(999)
	Amount Outstanding	(21.36)	(9.04)	(0.64)	-	(31.04)
	Provision thereon	0.59	(3.53)	(0.55)	-	(3.49)
Restructured Accounts as on March 31, 2025	No of borrowers	630	51	-	-	681
	Amount Outstanding	21.32	3.40	-	-	24.72
	Provision thereon	2.91	3.00	-	-	5.91

Amount of movement in respective blocks includes recovery made during the year

The above disclosure includes one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.B C/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

As at March 31, 2024

		Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April 2023	No of borrowers	547	89	83	-	719
	Amount Outstanding	12.90	1.11	0.92	-	14.93
	Provision thereon	1.09	0.71	0.79	-	2.59
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Under SME Debt Restructuring Mechanism				
		Standard	Sub-Standard	Doubtful	Loss	Total
Upgradations to restructured standard category during the year	No of borrowers	8	(5)	(3)	-	-
	Amount Outstanding	0.14	(0.08)	(0.06)	-	-
	Provision thereon	0.01	-	(0.01)	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(64)	62	2	-	-
	Amount Outstanding	(0.84)	0.82	0.02	-	-
	Provision thereon	(0.45)	0.44	0.01	-	-
Write-offs/ Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(317)	(76)	(74)	-	(467)
	Amount Outstanding	(9.23)	(0.98)	(0.82)	-	(11.03)
	Provision thereon	(0.34)	(0.67)	(0.75)	-	(1.76)
Restructured Accounts as on March 31, 2024	No of borrowers	174	70	8	-	252
	Amount Outstanding	2.97	0.87	0.06	-	3.90
	Provision thereon	0.31	0.48	0.04	-	0.83

Amount of movement in respective blocks includes recovery made during the year

		Others				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April 2023	No of borrowers	2,440	192	7	-	2,639
	Amount Outstanding	99.08	7.10	0.25	-	106.43
	Provision thereon	11.63	3.36	0.15	-	15.14
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	14	(13)	(1)	-	-
	Amount Outstanding	0.58	(0.57)	(0.01)	-	-
	Provision thereon	0.05	(0.05)	-	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	(1)	-	-	-	(1)
	Amount Outstanding	(0.01)	-	-	-	(0.01)
	Provision thereon	-	-	-	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Others				
		Standard	Sub-Standard	Doubtful	Loss	Total
Downgradations of restructured accounts during the year	No of borrowers	(205)	200	5	-	-
	Amount Outstanding	(8.06)	7.55	0.51	-	-
	Provision thereon	(2.94)	2.52	0.42	-	-
Write-offs/ Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(1,065)	(140)	(5)	-	(1,210)
	Amount Outstanding	(48.82)	(5.57)	(0.17)	-	(54.56)
	Provision thereon	(3.79)	(2.72)	(0.06)	-	(6.57)
Restructured Accounts as on March 31, 2024	No of borrowers	1,183	239	6	-	1,428
	Amount Outstanding	42.77	8.51	0.58	-	51.86
	Provision thereon	4.95	3.11	0.51	-	8.57

Amount of movement in respective blocks includes recovery made during the year

		Total				
		Standard	Sub-Standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April 2023	No of borrowers	2,987	281	90	-	3,358
	Amount Outstanding	111.98	8.21	1.17	-	121.36
	Provision thereon	12.72	4.07	0.94	-	17.73
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	22	(18)	(4)	-	-
	Amount Outstanding	0.72	(0.65)	(0.07)	-	-
	Provision thereon	0.06	(0.05)	(0.01)	-	-
Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of year	No of borrowers	(1)	-	-	-	(1)
	Amount Outstanding	(0.01)	-	-	-	(0.01)
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(269)	262	7	-	-
	Amount Outstanding	(8.90)	8.37	0.53	-	-
	Provision thereon	(3.39)	2.96	0.43	-	-
Write-offs/ Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(1,382)	(216)	(79)	-	(1,677)
	Amount Outstanding	(58.05)	(6.55)	(0.99)	-	(65.59)
	Provision thereon	(4.13)	(3.39)	(0.81)	-	(8.33)

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Total				Total
		Standard	Sub-Standard	Doubtful	Loss	
Restructured Accounts as on March 31, 2024	No of borrowers	1,357	309	14	-	1,680
	Amount Outstanding	45.74	9.38	0.64	-	55.76
	Provision thereon	5.26	3.59	0.55	-	9.40

Amount of movement in respective blocks includes recovery made during the year

The above disclosure includes one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.B C/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

(u) Disclosure pursuant to Reserve Bank of India notification RBI/2018-19/100 DBR.No.BP.BC/18/21.04.048/2018-19 dated January 01, 2019 pertaining to Micro, Small and Medium Enterprises (MSME) Sector-Restructuring of Advances

Particulars	March 31, 2025	March 31, 2024
No of Accounts restructured	-	-
Amount	-	-

(v) Details of resolution framework for COVID-19- related stress as per RBI notification no. DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 and DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020.

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2025
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	25.93	2.97	1.38	4.65	16.93
Total	25.93	2.97	1.38	4.65	16.93

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of March 31, 2024	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of September 30, 2024
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	36.95	1.50	2.50	7.02	25.93
Total	36.95	1.50	2.50	7.02	25.93

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Includes interest accrued during the period.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(w) Disclosures pursuant to RBI Master Direction on Transfer of Loan Exposures dated 24 September, 2021 are given below :

(a) Details of transfer through assignment in respect of loans not in default during the year

Particulars	March 31, 2025	March 31, 2024
Count of loan accounts assigned	79,429	46,547
Amount of loan accounts assigned (₹ in crores)	1,731.40	2,136.48
Retention of beneficial economic interest (MRR)	10%	10%
Weighted average maturity (Residual Maturity) (in months)	28	26
Weighted average holding period (in months)	9	14
Coverage of tangible security	14%	35%
Rating wise distribution of rated loans	Unrated	Unrated

(b) Details of acquired through assignment in respect of loans not in default during the year ended March 31, 2025 and March 31, 2024

Particulars	Secured	Unsecured	Secured	Unsecured
Amount of loan accounts acquired (₹ in crores)				
Weighted average maturity (in months) *				
Weighted average holding period (in months)				
Retention of beneficial economic interest **		NIL		NIL
Coverage of tangible security				
Rating wise distribution of rated loans				

* At the time of acquisition

** Retained by the originator

(c) For securitization related disclosures, please refer note 56(x)

(d) Details of stressed loans transferred during the year

Particulars	Year ended March 31, 2025			Year ended March 31, 2024		
	To ARCs*	To permitted transferees	To other transferees	To ARCs*	To permitted transferees	To other transferees
Count of accounts	24,787	-	-	5,379	-	-
Aggregate principal outstanding of loans transferred (₹ in crores)	344.48	-	-	129.37	-	-
Weighted average residual tenor of the loans transferred (in months)	19	-	-	26	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	112.16	-	-	84.51	-	-
Aggregate consideration including security receipts (₹ in crores)	75.32	-	-	105.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

* In addition to above, during the year ended March 31, 2025, the Company has transferred 60,279 loan accounts (March 31, 2024 : 4,404) for an aggregate consideration including security receipts of ₹ 93.07 crores (March 31, 2024 : ₹ 63 crores). These loan accounts were already written off in the books before such sale transactions.

Security Receipts (SRs) Ratings held

Particulars	March 31, 2025		March 31, 2024	
	Rating Agencies	Rating	Rating Agencies	Rating
Arcil-Retail Port-046-A-T*	-	-	India Ratings	RR1+
RARC 027 Trust*	-	-	Infomerics Valuation and Rating Private Limited	IVR RR1
Retail June 2022 - Trust (Series I)	CRISIL	RR2	CRISIL	RR2
Retail June 2022 - Trust (Series IV)	CRISIL	RR1	CRISIL	RR1
Retail June 2022 - Trust (Series VI)	CRISIL	RR1	NA	Unrated
Retail May 2024 - Trust (Series I)	CRISIL	RR1	-	-
Retail May 2024 - Trust (Series II)	CRISIL	RR1	-	-
EARC TRUSTSC - 480	India Ratings	RR2	India Ratings	RR2
Arcil-Trust-2025-012	-	Unrated	-	-

* Net book value as on 31st March 2025: Nil.

(e) Sales out of amortised cost business model portfolios

As a financing arrangement, the Company has been transferring or selling certain pools of loan receivables secured and unsecured by entering securitization transactions for consideration received in cash and /or Security receipts. These transactions are carried out after complying with RBI guidelines on securitization. Besides using securitization as an alternate financing tool, it is also being used as an effective Balance Sheet management through better liquidity and risk management by transfer of assets. When the assets in the form of loan receivables are sold / transferred to a Special Purpose Vehicle (SPV) /Bank through securitization transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows. The Company has a Board approved policy on Business Model Assessment in place. Please refer note 2(h) for business model assessment.

(x) Disclosure pursuant to RBI notification RBI/DOR/2021-22/85 DOR.STR. REC.53/21.04.177/2021-22 dated 24 September 2021

Disclosures relating to Securitisation^

Particulars	As at March 31, 2025	As at March 31, 2024
1 (i) Outstanding amount of Securitised assets as per books of the SPVs #		
1 No. of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here) **	-	-
2 Total amount of securitised assets as per books of the SPEs	-	-
3 Total amount of the exposures retained by the originator to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Particulars	As at March 31, 2025	As at March 31, 2024
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	-	-
4 Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
(i) Exposure to own securitisation		
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
(i) Exposure to own securitisation		
First loss	-	-
Others	-	-
(ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

^Securitization (PTC) transaction do not meet the derecognition criteria under Ind AS and are recognized as 'on balance sheet exposures'. Accordingly income and discounting charges are included in revenue from operations and finance cost respectively. Amounts stated above are for the purpose of disclosure.

#The above figures are being reported based on certificate issued by the auditors of the SPV.

**Only the SPVs relating to outstanding securitisation exposures are reported here.

(y) There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

(z) The details related to risk management policy and corporate governance are disclosed under Board's Report and Management Discussion and Analysis section of the Annual Report.

(aa) Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended March 31, 2023 and for the year ended March 31, 2022

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 DISCLOSURES AS REQUIRED UNDER MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 AND OTHER RELEVANT RBI NOTIFICATIONS* (CONTD.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

as per the requirement of the circular no. RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022.

(ab) Draw Down from Reserves

There was no draw down from reserves during the year ended March 31, 2025 and March 31, 2024.

(ac) Net Profit and loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year profit and loss.

(ad) The Company has consolidated financial statements of its subsidiary (Grihum Housing Finance Limited (Formerly known as Poonawalla Housing Finance Limited) ceased to be subsidiary on July 26, 2023) and its joint venture.

(ae) Figures of previous year have been regrouped / reclassified, wherever necessary, to make them comparable with current year.

As per our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sunil Samdani
Executive Director
(DIN : 10301175)

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Vikram Dhanania
Partner
Membership No: 060568
Place : Mumbai
Date : April 25, 2025

Sandeep D. Welling
Partner
Membership No: 044576
Place : Mumbai
Date : April 25, 2025

Shabnum Zaman
Company Secretary
Membership No: 13918
Place : Mumbai
Date : April 25, 2025

Sanjay Miranka
Chief Financial Officer
Place : Mumbai
Date : April 25, 2025

Schedule annexed to the balance sheet

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

Disclosures as required under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and other relevant RBI notifications*

Sl. No.	Particulars	Amount outstanding as at March 31, 2025	Amount overdue as at March 31, 2025
	Liabilities		
1	Loans and advances availed by the NBFCs		
(a)	Debentures		
	- Secured	1,663.99	-
	- Unsecured	137.73	-
(b)	Deferred Credits	-	-
(c)	Term Loans	12,424.85	-
(d)	External Commercial Borrowings (ECBs)	1,493.46	-
(e)	Inter-Corporate Loans and Borrowing	174.74	-
(f)	Commercial Paper	4,378.11	-
(g)	Public Deposits	-	-
(h)	Cash Credit / Working Capital Demand Loans from Banks	5,607.67	-

Sl. No.	Particulars	Amount outstanding as at March 31, 2025
	Assets	
2	Break-up of Loans and Advances, including Bills Receivables (other than those included in (3) below)	
(a)	Secured	19,022.98
(b)	Unsecured	14,526.11
3	Break-up of Leased Assets and Stock on Hire and hypothecation loans counting towards AFC activities #	
(i)	Lease Assets including Lease Rentals under Sundry Debtors	88.28
(ii)	Stock on Hire including Hire Charges under Sundry Debtors	-
(iii)	Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	88.28
# AFC classification has been discontinued by RBI with effect from February 22, 2019		
4	Break-up of Investments	
	Current Investments	
1	Quoted	
	(i) Shares (a) Equity*	0.02
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	1,153.94
	(v) Others (please specify)	-
2	Unquoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	2.93
	(iv) Government Securities	-
	(v) Others (PTC securitites)	-

* Includes investment in joint venture reclassified as assets held for sale of ₹ 0.02 crores

Schedule annexed to the balance sheet

for the year ended March 31, 2025 (Contd.)
(All amounts are in ₹ Crores unless otherwise stated)

Sl. No. Particulars		Amount outstanding as at March 31, 2025
Long-term Investments		
1	Quoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others (please specify)	
	- PTC securities	3.65
2	Unquoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others	-
	- Security Receipts	181.11

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

Category	Secured	Unsecured	Total as at March 31, 2025
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties		-	-
2 Other than Related Parties	19,111.27	14,526.11	33,637.37
Total	19,111.27	14,526.11	33,637.37

* Securitization (PTC) transaction do not meet the de-recognition criteria under Ind AS and are recognized in books of accounts. Accordingly amounts stated above are inclusive of PTC transactions for the purpose of disclosure.

6 Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Category	Market Value / Break up or Fair Value or NAV as at March 31, 2025	Book Value (Net of Provisions) as at March 31, 2025
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group *	50.70	0.02
(c) Other related parties	-	-
2 Other than Related Parties	1,341.63	1,341.63
Total	1,392.33	1,341.65

* Investment in joint venture reclassified as assets held for sale as on March 31, 2025.

Schedule annexed to the balance sheet

for the year ended March 31, 2025 (Contd.)
(All amounts are in ₹ Crores unless otherwise stated)

7 Other information

Particulars	Total as at March 31, 2025
(i) Gross Non-Performing Assets *	
(a) Related parties	-
(b) Other than Related parties	618.65
(ii) Net Non-Performing Assets *	
(a) Related parties	-
(b) Other than Related parties	281.66
(iii) Assets acquired in satisfaction of debt	-

* Disclosure as per IND-AS, as required in RBI notification no. DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

Sunil Samdani
Executive Director
(DIN : 10301175)

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place : Mumbai
Date : April 25, 2025

INDEPENDENT AUDITOR’S REPORT

To the Members of

POONAWALLA FINCORP LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Poonawalla Fincorp Limited (hereinafter referred to as the “Holding Company”)** and its joint venture which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company and its joint venture as at March 31, 2025, its consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Key audit matters
Allowance on Expected credit losses (ECL) on loan assets
Indian Accounting Standard 109 - Financial Instruments ('Ind AS 109') requires the Holding Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Holding Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events.
As at March 31, 2025, the Holding Company has reported gross financial assets (loans) aggregating to ₹ 33,637.37 crores against which provision for expected credit loss of ₹ 942.41 crores has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109'). The Holding Company has written off (net of recoveries) ₹ 1,279.90 crores during the current year.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company and its joint venture, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (“ICAI”), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of the unaudited financial information/financial statements of the joint venture furnished to us by the Holding Company’s Management, referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025 current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

How our audit addressed the key audit matter
Our audit procedures in respect of this matter included the following, but not limited to:
- Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Holding Company. - Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculations, validation of data and monitoring of impairment loss recognised based on historical and external data. - Tested the modelling assumptions and inputs which are based on industry experience (new products) as collated by external credit bureau in line with the Holding Company's ECL policy. While for remaining loan portfolio, since modelling assumptions and parameters are based on historical data, assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.

Key audit matters	How our audit addressed the key audit matter
The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to:	- Verified the completeness of loans included in the ECL calculations as of March 31, 2025. - Selected samples and verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. - Selected samples of exposure and verified the appropriateness of determining EAD, PD and LGD. Further, also checked the appropriateness of information used in the estimation of PD and LGD for the different stages depending on the nature of the portfolio. - Evaluated the appropriateness of the Holding Company's determination of significant increase in credit risk in accordance with the applicable Ind AS and the basis for classification of various exposures into various stages. For a sample of exposures, also tested the appropriateness of the Holding Company's categorisation across various stages; - Obtained the Holding Company's management rational for writing off the loans during the current year and tested for appropriate management approvals in line with approved write off policy. - Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 53 “Financial risk management” disclosed in the accompanying consolidated financial statements in accordance with the applicable accounting standards and related Reserve Bank of India ('RBI') circulars.
Segmentation of loan book in buckets based on common risk characteristics;	
Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3);	
factoring in future macro-economic and industry specific estimates and forecasts;	
past experience and forecast data on customer behaviour on repayments;	
varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios.	
The Expected Credit Loss ('ECL') is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.	
The Holding Company's management has calculated the PD and LGD as follows:	
- For new products launched from time to time and where the Holding Company does not have sufficient historical data to estimate PD, the Holding Company has engaged external leading credit bureau and accordingly PD rates have been considered based on industry data sourced from the aforesaid credit bureau. - For the remaining portfolio, the Holding Company continues to use their existing internally developed modelling techniques using historical observable data and inputs to estimate PD and LGD.	
Refer Note 2(j) of material accounting policies, Note 7 for the details of provision and Note 53(ii) for credit risk disclosures.	
Considering the significance of the above matter to the consolidated financial statements, significant level of estimates and judgements involved in determination of ECL and write offs, this matter required our significant attention. Accordingly, we have determined Provision for ECL on Loans as a Key Audit Matter.	
Information Technology (“IT”) Systems and Controls for accounting and financial reporting process:	Our audit procedures in respect of this matter included the following, but not limited to:
The Holding Company is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment.	- Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls to determine the accuracy of the information produced by the Holding Company's IT systems. - Obtained an understanding of the Holding Company's IT applications, databases and operating systems relevant to financial reporting and the control environment, including an understanding of the process, mapping of applications and understanding financial risks posed by people process and technology. - Tested IT General Controls particularly, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorised; tested controls around Holding Company's periodic review of access
Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of IT systems across varied different phases of business, the testing with respect to general computer controls of the IT systems used in financial reporting was identified to be a key audit matter.	

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
The Holding Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Holding Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Further, the Holding Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The Holding Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Holding Company uses several systems for its overall financial reporting. In addition to it, large transaction volumes and the increasing challenges to protect the integrity of the Holding Company's systems and data, we have identified 'IT systems and automated controls' as key audit matter because of the high-level automation, significant number of systems being used by the Holding Company's management and the complexity of the IT architecture and its impact on the financial reporting system.	rights; inspected requests of changes to systems for appropriate approval and authorisation; - Performed procedures for a selected group of key controls over financial and reporting system to determine that these controls remained unchanged during the year or were changed following the standard change management process. - Tested key automated and manual business cycle controls including testing of alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the consolidated financial statements. - Tested the design and operating effectiveness of the Holding Company's IT controls over the IT applications as identified above

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Holding Company and its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Holding Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its joint venture for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free

from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company and its joint venture are responsible for assessing the ability of the Holding Company and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Holding Company and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its joint venture are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS:

- a) The consolidated financial statements include the Holding Company's share of net profit (including total other comprehensive income) of ₹ Nil for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of one joint venture. This unaudited financial information/financial statements has been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the

amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information/financial statements. In our opinion and according to the information and explanations given to us by the Holding Company's management, these financial information/financial statements are not material to the Holding Company.

Our opinion is not modified in respect of the above financial information certified by the Management.

- b) The consolidated financial statements of the Company for the year ended March 31, 2024 was audited by Walker Chandiok & Co LLP, one of the previous joint auditors of the Holding Company, whose report dated April 29, 2024 expressed an unmodified opinion on those consolidated financial statements.

Our opinion is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the unaudited financial information/financial statements of the joint venture referred to in the Other Matters section above, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 1(h)(vi) below on reporting under Rule 11(g);
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

INDEPENDENT AUDITOR'S REPORT

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act;

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

f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 1 h(vi) below on reporting under Rule 11(g);

g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company and its joint venture, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its joint venture. Refer Note 48 to the consolidated financial statements.

ii. The Holding Company and its joint venture have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 48 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its joint venture.
- iv. a) The respective managements of the Holding Company and its joint venture has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective managements of the Holding Company and its joint venture has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its joint venture from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company and its joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Holding Company's Management in this

- regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Holding Company and its joint venture has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Holding Company has used an accounting software for maintaining its books of account (managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been
- preserved by the Holding Company as per the statutory requirements for record retention except for one accounting software wherein the audit trail logs have been preserved effective June 26, 2024. Refer Note 56 (j) for audit trail disclosure in the consolidated financial statements.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder. The provisions of Section 197 of the Act and the rules thereunder are not applicable to the joint venture as it is a private company.

3. According to the information and explanations given to us, the details of qualifications/adverse remarks made in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sl. No.	Name of the Company	CIN	Type of Company (Holding/ Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Poonawalla Fincorp Limited	L51504PN1978PLC209007	Holding Company	i (c)
2	Poonawalla Fincorp Limited	L51504PN1978PLC209007	Holding Company	xi (a)

Further, as per information and explanation given to us by the Holding Company, the joint venture company included in the consolidated financial statements for the year ended March 31, 2025 and covered under that Act, but for which the respective reports under Section 143(11) of the Act have not yet issued by the respective statutory auditor.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No.:105215W/W100057

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXG5361

Place: Mumbai
Date: April 25, 2025

For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQF4968

Place: Mumbai
Date: April 25, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the

Holding Company and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have not been audited by other auditors, management of the Holding Company remain responsible for the financial information included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended

March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No: 105215W/W100057

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXG5361

Place: Mumbai
Date: April 25, 2025

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQF4968

Place: Mumbai
Date: April 25, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Poonawalla Fincorp Limited on the Consolidated Financial Statements for the year ended March 31, 2025.

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

OPINION

In conjunction with our audit of the consolidated financial statements of Poonawalla Fincorp Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of the Holding Company and its joint venture, which are companies incorporated in India, as of that date.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to the joint venture incorporated in India namely Jaguar Advisory Services Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Holding Company which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company which is a company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements

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

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No: 105215W/W100057

Sandeep D. Welling
Partner
Membership No.: 044576
UDIN: 25044576BMKQXG5361

Place: Mumbai
Date: April 25, 2025

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
Firm Registration No. 105047W

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 25060568BMJJQF4968

Place: Mumbai
Date: April 25, 2025



Consolidated Balance Sheet

as at March 31, 2025

(All amounts are in ₹ crores unless otherwise stated)

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
1. Financial assets			
Cash and cash equivalents	3	24.65	255.18
Bank balances other than cash and cash equivalents	4	7.64	13.36
Derivative financial instruments	5	2.82	-
Receivables	6		
(i) Trade receivables		18.39	22.39
(ii) Other receivables		0.32	6.27
Loans	7	32,694.96	22,046.41
Investments	8	1,341.63	878.33
Other financial assets	9	182.19	257.81
		34,272.60	23,479.75
2. Non-financial assets			
Current tax assets (net)	10	141.51	171.70
Deferred tax assets (net)	11	205.48	163.42
Investment property	12	0.07	0.07
Property, plant and equipment	13	55.01	59.78
Intangible assets under development	14	10.43	0.26
Other intangible assets	15	16.41	17.00
Right of use assets	16	172.31	117.35
Other non-financial assets	17	105.42	26.87
		706.64	556.45
3. Assets held for sale	18	50.70	50.70
Total Assets		35,029.94	24,086.90
LIABILITIES AND EQUITY			
LIABILITIES			
1. Financial liabilities			
Derivative financial instruments	5	1.66	-
Payables	19		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		1.69	0.02
- total outstanding dues of creditors other than micro enterprises and small enterprises		2.24	1.22
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		0.32	2.13
Debt securities	20	1,663.99	1,227.09
Borrowings (other than debt securities)	21	23,978.97	13,616.13
Subordinated liabilities	22	237.59	236.91
Lease liabilities	23	200.69	135.59
Other financial liabilities	24	699.86	597.26
		26,787.01	15,816.35
2. Non-financial liabilities			
Current tax liabilities (net)	25	0.24	0.01
Provisions	26	12.67	8.53
Other non-financial liabilities	27	55.36	94.93
		68.27	103.47
EQUITY			
Equity share capital	28	154.58	154.11
Other equity	29	8,020.08	8,012.97
		8,174.66	8,167.08
Total liabilities and equity		35,029.94	24,086.90
Summary of material accounting policies	2		
Notes 1 to 57 forms an integral part of these consolidated financial statements			

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

Vikram Dhanania
Partner
Membership No: 060568
Place : Mumbai
Date : April 25, 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sandeep D. Welling
Partner
Membership No: 044576
Place : Mumbai
Date : April 25, 2025

Sunil Samdani
Executive Director
(DIN : 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918
Place : Mumbai
Date : April 25, 2025

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Sanjay Miranka
Chief Financial Officer
Place : Mumbai
Date : April 25, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Revenue from operations			
Interest income	30	3,874.50	2,899.56
Rental income	31	16.86	25.54
Fees and commission income	32	192.26	73.22
Net gain on fair value changes	33	-	2.15
Net gain on derecognition of financial instruments	34a	106.14	108.54
Total revenue from operations		4,189.76	3,109.01
Other income	35	33.08	38.32
Total income		4,222.84	3,147.33
Expenses			
Finance costs	36	1,515.09	950.30
Net loss on fair value changes	33	13.72	-
Net loss on derecognition of financial instruments	34b	94.41	-
Impairment on financial instruments	37	1,458.17	72.02
Employee benefits expenses	38	636.22	444.42
Depreciation and amortisation expense	39	65.10	59.31
Other expenses	40	575.53	303.63
Total expenses		4,358.24	1,829.68
Profit/(loss) before share of profit of joint ventures, exceptional items and tax		(135.40)	1,317.65
Share of profit of equity-accounted investee, net of tax		-	-
Profit/(loss) before tax and exceptional items		(135.40)	1,317.65
Exceptional items (net)	41	-	816.52
Profit/(loss) before tax from continuing operations		(135.40)	2,134.17
Tax expense	11		
Current tax		-	610.13
Tax expense for earlier years		0.26	(9.73)
Deferred tax		(37.32)	(117.74)
Total tax expense		(37.06)	482.66
Profit/(loss) after tax for the year from continuing operations		(98.34)	1,651.51
Profit before tax from discontinued operations		-	42.07
Tax expense of discontinued operations		-	10.52
Profit after tax for the year from discontinued operations		-	31.55
Profit/(loss) for the year from continuing and discontinued operations		(98.34)	1,683.06
Other comprehensive income			
A. Items that will not be reclassified to profit and loss			
(i) Remeasurement of the defined benefit plans		(1.96)	0.82
(ii) Income tax relating to items that will not be reclassified to profit and loss		0.49	(0.21)
		(1.47)	0.61
B. Items that will be reclassified to profit and loss			
(i) Financial instruments through other comprehensive income		0.10	0.29
(ii) Effective portion of gain on designated portion of hedging instruments in cash flow hedges		(16.95)	-
(iii) Income tax relating to items that will be reclassified to profit and loss		4.24	(0.07)
		(12.61)	0.22
C. Other comprehensive income from discontinued operations (net of tax)		-	(0.19)
Other comprehensive income (A + B + C)		(14.08)	0.64
Total comprehensive income for the year		(112.42)	1,683.70
Total comprehensive income for the year, attributable to			
(a) Owners of the Company		(112.42)	1,683.39
(b) Non-controlling interests		-	0.31
Total		(112.42)	1,683.70
Profit/(Loss) from continuing operations for the year, attributable to			
(a) Owners of the Company		(98.34)	1,651.51
(b) Non-controlling interests		-	-
Total		(98.34)	1,651.51
Profit from discontinued operations for the year, attributable to			
(a) Owners of the Company		-	31.24
(b) Non-controlling interests		-	0.31

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Total		-	31.55
Profit/(Loss) from continuing and discontinued operations for the year, attributable to			
(a) Owners of the Company		(98.34)	1,682.75
(b) Non-controlling interests		-	0.31
Total		(98.34)	1,683.06
Other comprehensive income for the year, attributable to			
(a) Owners of the Company		(14.08)	0.64
(b) Non-controlling interests		-	(0.00)
Total		(14.08)	0.64
Earnings per equity share (for continuing operations) (Face value of ₹ 2/- each)	44		
Basic (₹)		(1.27)	21.48
Diluted (₹)		(1.27)	21.23
Earnings per equity share (for discontinued operations) (Face value of ₹ 2/- each)	44		
Basic (₹)		-	0.41
Diluted (₹)		-	0.40
Earnings per equity share (for continuing and discontinued operations) (Face value of ₹ 2/- each)	44		
Basic (₹)		(1.27)	21.89
Diluted (₹)		(1.27)	21.63
Summary of material accounting policies	2		
Notes 1 to 57 forms an integral part of these consolidated financial statements			

This is the Consolidated statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates Chartered Accountants Firm Registration No:105047W	For Kirtane & Pandit LLP Chartered Accountants Firm Registration No:105215W/ W100057	Sunil Samdani Executive Director (DIN : 10301175)	Arvind Kapil Managing Director & CEO (DIN : 10429289)
Vikram Dhanania Partner Membership No: 060568	Sandeep D. Welling Partner Membership No: 044576	Shabnum Zaman Company Secretary Membership No: 13918	Sanjay Miranka Chief Financial Officer
Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

As at March 31, 2025

Balance as at April 1, 2024	154.11	Changes in equity share capital during the year	0.47	Balance as at March 31, 2025*	154.58
As at March 31, 2024		Changes in equity share capital during the year		Balance as at March 31, 2024*	
Balance as at April 1, 2023	153.59		0.52		154.11

* Net of adjustment of shares held by the PFL Employee Welfare Trust ('PFL EWT') refer note no. 28

B. OTHER EQUITY

As at March 31, 2025

Particulars	Capital reserve	Securities premium	Statutory reserves (created pursuant to section 45-1C of the Reserve Bank of India Act, 1934)	Statutory reserves (created pursuant to section 29C of the National Housing Bank Act, 1987)	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings	Other comprehensive income	Total
Balance as at April 1, 2024	4.80	5,418.53	926.50	-	14.22	63.53	(186.05)	(0.75)	1,759.46	12.73	8,012.97
Loss for the year	-	-	-	-	-	-	-	-	(98.34)	-	(98.34)
Other comprehensive income for the year*	-	-	-	-	-	-	-	-	(12.68)	0.07	(14.08)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	(99.81)	0.07	(112.42)
Share based payment to employees	-	120.27	-	-	-	67.68	-	-	-	-	187.95
Premium/(discount) on issue of non-convertible debentures	-	(0.08)	-	-	-	-	-	-	-	-	(0.08)
Net income/(loss) of PFL EWT for the year	-	-	-	-	-	-	-	(77.38)	-	-	(77.38)
Fair value loss on PFL EWT shares	-	-	-	-	-	-	62.06	-	-	-	62.06
Purchase of shares by PFL EWT during the year	-	-	-	-	-	-	(53.02)	-	-	-	(53.02)
Balance as at March 31, 2025*	4.80	5,538.72	926.50	-	14.22	131.21	(177.01)	(78.13)	1,659.65	12.80	8,020.08

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025
(All amounts are in ₹ Crores unless otherwise stated)

B. OTHER EQUITY (CONTD.)

As at March 31, 2024

Particulars	Reserves and Surplus								Other comprehensive income			
	Capital reserve	Securities premium	Statutory reserves (created pursuant to section 45-1C of the Reserve Bank of India Act,1934)	Statutory reserves (created pursuant to section 29C of the National Housing Bank Act,1987)	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings	Financial instruments through other comprehensive income	Cash flow hedge reserve	Total
Balance as at April 1, 2023	4.80	5,247.68	515.30	89.82	14.22	118.72	-	-	704.76	12.51	-	6,707.81
Profit for the year	-	-	-	-	-	-	-	-	1,683.07	-	-	1,683.07
Other comprehensive income for the year*	-	-	-	-	-	-	-	-	0.42	0.22	-	0.64
Total comprehensive income for the year	-	-	-	-	-	-	-	-	1,683.49	0.22	-	1,683.71
Dividend paid	-	-	-	-	-	-	-	-	(307.41)	-	-	(307.41)
Transfer to/from retained earnings	-	-	411.20	-	-	-	-	-	(411.20)	-	-	-
Transfer on account of Sale of subsidiary	-	-	-	(89.82)	-	-	-	-	89.82	-	-	-
Share based payment to employees	-	170.85	-	-	-	(55.19)	-	-	-	-	-	115.66
Net income/(loss) of PFL EWT for the year	-	-	-	-	-	-	-	(0.75)	-	-	-	(0.75)
Purchase of shares by PFL EWT during the year	-	-	-	-	-	-	(186.05)	-	-	-	-	(186.05)
Balance as at March 31, 2024*	4.80	5,418.53	926.50	-	14.22	63.53	(186.05)	(0.75)	1,759.46	12.73	-	8,012.97

Refer note 29 for the nature and purpose of each reserves.

*Amount of other comprehensive income transferred to retained earnings pertains to remeasurement of defined plans.

Notes 1 to 57 forms an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates
Chartered Accountants
Firm Registration No:105047W

Vikram Dhanania
Partner
Membership No: 060568
Place : Mumbai
Date : April 25, 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No: 044576
Place : Mumbai
Date : April 25, 2025

Sunil Samdani
Executive Director
(DIN : 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918
Place : Mumbai
Date : April 25, 2025

Arvind Kapil
Managing Director & CEO
(DIN : 10429289)

Sanjay Miranka
Chief Financial Officer
Place : Mumbai
Date : April 25, 2025



Consolidated Statement of Cash Flows

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
A. Cash flow from operating activities		
Profit/(loss) before tax from continuing operations	(135.40)	2,134.17
Profit before tax from discontinued operations	-	42.07
Profit/(loss) for the period before tax from continuing and discontinued operations	(135.40)	2,176.24
Adjustments for:		
Depreciation and amortisation expenses	65.10	64.35
Impairment on financial instruments including exceptional items	1,458.17	1,556.82
Net gain on sale of investment in subsidiary	-	(2,308.97)
Net loss on sale of investments	-	0.36
Net (gain)/loss on fair value changes	13.72	(2.10)
Net (gain) on derecognition of lease	(0.28)	(0.83)
Net (gain)/loss on derecognition of property, plant and equipment	(6.18)	12.48
Expense on employee stock option scheme	108.90	101.09
Interest on lease liabilities	16.51	12.50
Net (gain) on derecognition of financial instruments	(136.10)	(122.78)
Net loss on derecognition of financial instruments	94.41	-
Liabilities written back	-	(15.10)
Operating cash flow before working capital changes	1,478.85	1,474.06
Movement in working capital:		
Adjustments for (increase)/decrease in assets:		
Bank balances other than cash and cash equivalents	5.72	(179.00)
Receivables	9.95	(20.78)
Loans	(12,178.80)	(8,729.18)
Other financial assets	189.39	217.71
Other non financial assets	(75.97)	(2.39)
Adjustments for increase/(decrease) in liabilities:		
Payables	0.88	9.12
Other financial liabilities	7.79	330.02
Provisions	2.18	1.12
Other non-financial liabilities	(39.57)	6.38
Net cash (used in) operating activities before taxes	(10,599.58)	(6,892.94)
Income taxes paid (net of refunds)	30.15	(663.55)
Net cash (used in) operating activities (A)	(10,569.43)	(7,556.49)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(28.22)	(9.41)
Proceeds from sale of property, plant and equipment	15.34	25.93
Purchase of other intangible assets and intangible assets under development	(15.10)	(8.50)
Net proceeds from sale of investment in subsidiary	-	3,533.36
Investment by PFL Employee Welfare Trust (treasury shares)	(53.02)	(186.85)
Net cash outflow from PFL Employee Welfare Trust activities	(15.32)	(1.10)
(Purchase) / Sale of Investments (net)	(385.59)	(384.08)
Net cash generated from/(used in) investing activities (B)	(481.91)	2,969.35

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2025

(All amounts are in ₹ Crores unless otherwise stated)

	Year ended March 31, 2025	Year ended March 31, 2024
C. Cash flow from financing activities		
Proceeds from issue of debt securities and subordinated liabilities	959.92	1,300.00
Repayment of debt securities and subordinated liabilities	(522.68)	(607.50)
Proceeds from borrowings - other than debt securities	15,077.40	9,111.15
Repayment of borrowings - other than debt securities	(8,781.20)	(7,392.10)
Repayment of borrowings - pass through certificate	-	(109.96)
Proceeds from borrowings by PFL Employee Welfare Trust	-	175.00
Loans repayable on demand (including commercial papers) (net) (refer note a)	4,052.27	2,169.27
Interest on lease liabilities	(16.51)	(12.50)
Principal payment of lease liabilities	(27.91)	(25.64)
Proceeds from issue of equity shares including securities premium	79.52	30.29
Dividend paid	-	(307.34)
Net cash generated from financing activities (C)	10,820.81	4,330.67
Net (decrease) in cash and cash equivalents (A+B+C)	(230.53)	(256.47)
Cash and cash equivalents at the beginning of the year	255.18	756.19
Cash and cash equivalents for the discontinued operations	-	(244.54)
Cash and cash equivalents at the end of the year	24.65	255.18

- (a) The figures has been presented on a net basis as the transactions during the year are voluminous.
- (b) The Group has presented a consolidated cash flow statement that analyses all cash flows in total - including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in Note No. 49.
- (c) Refer Note 54 for change in liabilities arising from financing activities.

The above Cash Flows Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) on 'Statement of Cash Flows'

This is the Consolidated Statement of Cash Flows referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For MSKA and Associates Chartered Accountants Firm Registration No:105047W	For Kirtane & Pandit LLP Chartered Accountants Firm Registration No:105215W/ W100057	Sunil Samdani Executive Director (DIN : 10301175)	Arvind Kapil Managing Director & CEO (DIN : 10429289)
Vikram Dhanania Partner Membership No: 060568	Sandeep D. Welling Partner Membership No: 044576	Shabnum Zaman Company Secretary Membership No: 13918	Sanjay Miranka Chief Financial Officer
Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025	Place : Mumbai Date : April 25, 2025

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

NOTE 1: GROUP OVERVIEW

Background

Poonawalla Fincorp Limited ('the Company'), having its registered office in Pune, India is a publicly held Non-Banking Finance Company engaged in providing finance through its pan India branch network.

These consolidated financial statements comprise of the Company and its subsidiary and its joint ventures (collectively, referred to as the Group). The Company is registered as non-deposit taking ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Effective October 1, 2022, the Company has been categorised as NBFC-ML under the RBI Scale Based Regulation dated October 22, 2021.

NOTE 2: MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a) Basis of consolidation

Consolidated financial statements include results of the Company and joint venture. Consolidated financial statements are prepared as set out below:

Name of the Company	Country of incorporation	Consolidated as
Jaguar Advisory Services Private Limited (JASPL)	India	Joint venture

l) Joint arrangement

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The group has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated financial statements.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group's

share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Statement of compliance and basis of preparation

The consolidated financial statements ('financial statements') for the year ended March 31, 2025 have been prepared by the Group in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Further, the Group has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with the RBI notification no. RBI/2019-20/170 DOR NBFC) CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Any application guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Group consistently applies the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise stated.

The Group has prepared the financial statements on the basis that it will continue to operate as a



Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

going concern. The Management is satisfied that the company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on April 25, 2025.

c) Functional and Presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Group's functional currency. All amounts have been denominated in crores and rounded off to the nearest two decimal, except when otherwise indicated. Amounts less than ₹ 50,000 /- are presented as ₹ 0.00 crores in the financial statements.

d) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following material items:

- Certain financial assets at Fair value through other comprehensive income (FVTOCI)
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (asset)/ liability - fair value of plan assets less present value of defined benefit obligation.

e) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f) Significant areas of estimation uncertainty, critical judgements and assumptions in applying accounting policies

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Key sources of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- **Note 53** - impairment of financial instruments: determining inputs into the Expected Credit Loss (ECL) model, including incorporation of forward-looking information and assumptions used in estimating recoverable cash flows
- **Note 52** - determination of the fair value of financial instruments with significant unobservable inputs
- **Note 42** - measurement of defined benefit obligations: key actuarial assumptions
- **Note-11** - recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.

Judgements:

Key areas of judgement at the date of financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

Classification of financial assets: Assessment of the business model within which the assets are held for sale, held for sale and maturity and held for maturity.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

g) Revenue recognition

- I. Interest income from financial assets (assets on finance) is recognized on accrual basis using Effective Interest Rate ('EIR') method. EIR is applied on future principal of amortised cost of assets on finance. Interest income on stage 3 assets is recognized on net basis, i.e., on non-credit impaired portion.
- II. The EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.
- III. The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability
- IV. The 'Amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any expected credit loss allowance.
- V. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.
- VI. Income from direct assignment (sale) transactions represents the present value of excess interest spread receivable on de-recognized assets computed by discounting net cash flows from such assignment pools on the date of transactions.
- VII. Penal Charges are recognised on an accrual basis and other charges are treated to accrue on realisation, due to uncertainty of realization and is accounted for accordingly.
- VIII. For revenue recognition from leasing transactions of the Group, refer Note 43 on Leases.

- IX. Income from collection and support services is recognized over time as the services are rendered as per the terms of the contract.
- X. Fair value changes from financial instrument measured at FVTPL are recognized in revenue from operations basis their fair valuation and provision.
- XI. Dividend is recognized when the right to receive the dividend is established.
- XII. The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers' Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations.

Other Income

- I. Income from power generation is recognized based on the unit's generated (point in time) as per the terms of the power purchase arrangements with respective State Electricity Boards.
- II. All other items of income are accounted for on accrual basis.

h) Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest expense on lease liabilities computed by applying the Group's notional borrowing rate and has been included under finance costs. It also includes discounting charges paid for securitisation transactions entered under 'pass-through' arrangement.



Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

i) Derivative financial instruments

The Company enters into derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk.

Such derivative financial instruments are initially recognized at fair value on the date which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss (if any) when the hedge item cash flows affects the statement of profit and loss.

Hedge Accounting

The Company makes use of derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on regular intervals to determine that hedge is effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a

particular risk associated with a recognised asset or liability and could affect profit and loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion (if any) of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

j) Financial instruments

i) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit and loss account are recognized immediately in the Statement of Profit and loss. Trade Receivables are measured at transaction price. Trade receivables and debt securities issued are initially recognized when they are originated.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

ii) Classifications

Financial assets

On initial recognition, depending on the Group's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- Amortized cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Business model Assessment

The Group's makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The frequency, volume and timing of sales of financial asset in prior periods, the reason for such sales and expectations about future sales activity are important determining factors of the business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Financial instruments at Amortized Cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Re-classification from Amortized Cost to FVOCI

If there are multiple sale transaction of portfolios exceeding the prescribed threshold except as allowed under Ind AS 109 i.e. for stress case scenarios, and the management estimates that the Group may continue to sell down the loan assets for the purpose of meeting other business objectives then such part of the loan assets (if specifically identified) shall be re-classified to FVOCI from Amortized Cost category.

Re-classification from FVOCI to Amortized Cost

If considerable time period has elapsed since the past sale transaction and the management estimates that there is a very limited probability of selling down the portfolio in future, other than stressed portfolio or other exceptions as allowed under Ind AS 109, then such portfolio can be re-classified from FVOCI to Amortized Cost category.

Equity Investments

All equity investments other than equity investments in subsidiaries, associates and joint ventures are measured at FVTPL. These include all equity investments in scope of Ind AS 109.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or fair value through profit and loss, as appropriate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group is recognized at



Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

the proceeds received, net of directly attributable transaction costs.

III) Subsequent measurement

Amortized cost

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

FVTOCI

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.

IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially

all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. The Group continues to recognize the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed) is transferred to statement of Profit and loss.

Financial liabilities

The Group de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit and loss.

Securitization and Assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognized and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognized in the Statement of Profit and Loss.

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

VI) Impairment of Financial Assets

The Group recognizes loss allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- **Stage 1:** Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- **Stage 2:** Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- **Stage 3:** Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

The Group's policy for determining significant increase in credit risk is set out in Note 55 (ii) (g).

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Management overlay is used to estimate the ECL allowance in circumstances where management believes that the existing inputs, assumptions and model techniques do not factor the related exception scenario or captures all the risk factors relevant to the Group's lending portfolios.

To mitigate the credit risk on financial assets, the Group seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking

into account legal advice where appropriate. Any recoveries made are credited to impairment loss on actual realisation from customer

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

For more details, refer Note 53.

Presentation of ECL allowance for financial asset:

ECL allowance for financial asset measured at amortized cost or FVOCI is shown as a deduction from the gross carrying amount of the assets.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

k) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operations is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of a single co-ordinated plan to dispose of such line of business or area of business of operations, or is a subsidiary acquired exclusively with a view of resale. The results of discontinued operations are presented separately in the statement of profit and loss.

I) Subsequent events

The Group evaluates all transactions and events that occur after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Group did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements, except as disclosed.

m) Leases

I) The Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern.

II) The Group as lessee

i) Right of use assets and Lease liability

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- a) the contract involves the use of an identified asset;
- b) the Group has substantially all the economic benefits from use of the asset through the period of the lease; and
- c) the Group has the right to direct the use of the asset.

Recognition and initial measurement

At the lease commencement date, the Group recognizes a right of use ("RoU") asset and equivalent amount of lease liability. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right of use asset or is recorded in statement of profit and loss if the carrying amount of the right of use asset has been reduced to zero.

Presentation

Lease liability and Right of use assets have been separately presented in the balance

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

sheet and lease payments have been classified as financing cash flows.

The Group has elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these leases are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right-to-use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right to use asset and lease liability is recognized in statement of profit and loss.

n) Employee Benefits

I) Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. This includes performance linked incentives. Short term employee obligations are measured at undiscounted basis.

II) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post – employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts.

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Contributions paid/payable to the recognized provident fund, which is a defined contribution scheme, are expensed as the related service is rendered by an employee and recognized as personnel expenses in statement of profit and loss.

Defined benefit plans

Gratuity

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that

employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability/(asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses:
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset).

III) Other long-term employee benefits

Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

of the unused entitlement that has accumulated at the balance sheet date. The expenses and actuarial gain / loss on account of the above benefit plans are recognized in the Statement of Profit and Loss on the basis of actuarial valuation.

IV) Share-based payment arrangements - Employee Stock Options

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case, the group modifies the terms and condition on which the equity instruments were granted in a manner that is beneficial to the employees, the incremental cost will be recognized over the period starting from the modification date till the date of vesting if the modification occurs during the vesting period. In case, modification occurs after the vesting period, the incremental cost will be recognized immediately.

V) Treasury Share

The Company has created an ESOP Trust (the 'Trust) for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchase shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from other equity. No gain or loss is recognized in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Share options exercised during the reporting period are settled with treasury shares. Trust reserve represents net of income over expenditure of the Trust.

o) Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax

effects of temporary differences between tax base and book base). It is recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

I) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Group:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and ;
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

p) Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment (PPE) held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group. Subsequent expenditure on PPE after its purchase is capitalized if it is probable that the future economic benefits will flow to the enterprise.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciations and recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment Property consists of building let out to earn rentals. The Group follows cost model for measurement of investment property.

Depreciation and amortization expense

Depreciation on PPE is provided using the straight-line method at the rates specified in Schedule II of the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Sl. No.	Item	Life (in Years)
1	Buildings	60
2	Furniture and Fixtures	10

Sl. No.	Item	Life (in Years)
3	Electrical Installations and Equipment	10
4	Vehicles	8
5	Office Equipment	5
6	Server	6
7	Networking tools	6

Freehold land is not depreciated.

Leasehold improvements are amortized over the underlying lease term on a straight-line basis.

Depreciation on vehicles given on operating lease is provided on straight line method at rates based on tenure of the underlying lease contracts not exceeding 8 years. These leases are having residual value greater than 5%, Company has justification in place for considering the same.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act:

Sl. No.	Item	Life (in Years)
1	Desktop (PC/monitor)	6
2	Laptops	4
3	Scanner and UPS	6
4	Printer	3
5	Tablet	3
6	Leasehold improvements	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

De-recognition

An item of PPE or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

Capital work-in-progress

PPE not ready for the intended use on the date of the balance sheet are disclosed as "capital work-in-progress" and carried at cost, comprising



Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

direct cost, related incidental expenses and attributable interest.

Individual assets costing less than or equal to ₹ 5,000/- are depreciated in full in the month of acquisition.

q) Intangible assets

Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortization and impairment losses, if any. Cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Group.

Expenditure on internally developed software is recognized as an asset when the Group is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development.

The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs and are amortized over its useful life.

Amortization

Amortization of intangible assets is recognized on a straight-line basis over a period up to 6 years, which is the Management's estimate of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development."

r) Impairment of non-financial assets

The Group's non-financial assets including deferred tax is assessed at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in the statement of profit and loss. Goodwill is tested annually for impairment.

s) Foreign Currency Transactions

Transactions in currencies other than Group's operational currency are recorded on initial recognition using the exchange rates prevailing on the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end and exchange differences that arise on settlement of monetary items or on reporting of monetary items at the closing spot rate are recognized in the statement of profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

t) Provisions and contingencies related to claims, litigation, etc.

A provision is recognized if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

l) Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

ll) Contingencies related to claims, litigation, etc.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

u) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the consolidated financial statements where an inflow of economic benefits is probable.

v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

w) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the

effects of transactions of non-cash future, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

x) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. Refer note 59 for details on segment information presented.

y) Earnings per equity share

Basic earnings per equity share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share, if any, is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per equity share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

z) Dividend

Interim dividend declared to equity shareholders, if any, is recognized as liability in the period in which the said dividend is declared by the Board of Directors. Final dividend declared, if any, is recognized in the period in which the said dividend is approved by the Shareholders. Dividend payable is recognized directly in other equity.

aa) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	0.28
Balances with banks :		
In current accounts	24.65	254.90
	24.65	255.18

4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2025	As at March 31, 2024
Bank balances other than cash and cash equivalents		
In deposits with original maturity of more than 3 months	0.00	5.80
Earmarked balances with banks		
Unclaimed dividend on equity shares	0.35	0.30
Towards bank guarantees and others	7.29	7.26
	7.64	13.36

5. DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2025		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	1,477.40	2.82	1.66
	1,477.40	2.82	1.66

Particulars	As at March 31, 2024		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	-	-	-
	-	-	-

Refer note no. 53(iv)(b) for foreign currency risk.

6. RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Trade receivables		
Considered good - Unsecured	30.89	34.89
Less: Impairment loss allowance	(12.50)	(12.50)
	18.39	22.39
(ii) Other receivables		
Considered good - Unsecured	0.32	6.27
Less: Impairment loss allowance	-	-
	0.32	6.27
	18.71	28.66

There are no dues by directors or other officers of the company either severally or jointly with any other person or any firms or private companies in which any director is a partner, a director or a member.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

6. RECEIVABLES (CONTD.)

Trade receivables ageing schedule as at March 31, 2025

Particulars	Undisputed Trade receivables – considered good	Disputed Trade Receivables – considered good	Total
Less than 6 months	13.74	-	13.74
6 months - 1 year	0.02	-	0.02
1-2 years	17.13	-	17.13
2-3 years	-	-	-
More than 3 years	-	-	-
Total	30.89	-	30.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total Trade receivables	18.39	-	18.39

Trade receivables ageing schedule as at March 31, 2024

Particulars	Undisputed Trade receivables – considered good	Disputed Trade Receivables – considered good	Total
Less than 6 months	17.76	-	17.76
6 months - 1 year	17.13	-	17.13
1-2 years	-	-	-
2- 3 years	-	-	-
More than 3 years	-	-	-
Total	34.89	-	34.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total Trade receivables	22.39	-	22.39

Note - Ageing of the trade receivables is determined from the due date of payment till the reporting date.

7. LOANS

Amortised cost	As at March 31, 2025	As at March 31, 2024
(A) (i) Term loans*	33,549.09	22,881.95
(ii) Leasing	88.28	163.43
Total (A) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (A) - Net	32,694.96	22,046.41
(B) (i) Secured by tangible assets ^	19,109.16	11,129.55
(ii) Covered by bank/government guarantees #	2.64	93.38
(iii) Unsecured	14,525.57	11,822.45
Total (B) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (B) - Net	32,694.96	22,046.41
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	33,637.37	23,045.38
Total (C) - Gross	33,637.37	23,045.38
Less: Impairment loss allowance	942.41	998.97
Total (C) - Net	32,694.96	22,046.41

^ Secured by underlying assets financed.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

7. LOANS (CONTD.)

- * Includes supply chain finance outstanding of ₹ 1,224.62 crores (March 31, 2024 - ₹ 2,409.19 crores).
- # 1) Loans amounting to ₹0.70 crores are covered under Emergency Credit Line Guarantee Scheme for NBFCs administered by NCGTC under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (March 31, 2024: ₹ 67.89 crores).
- 2) Loans amounting to ₹1.94 crores are covered under Credit Guarantee Scheme for NBFCs administered by CGTMSE under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (March 31, 2024: ₹ 25.49 crores).
- Refer Note 53(ii), for movement in the gross carrying amount in respect of loans and corresponding ECL allowances.

8. INVESTMENTS

As at March 31, 2025

Particulars	Amortised cost	At Fair Value through Other comprehensive income	At Fair Value through profit and loss	Total
A) Investments in :				
Government Securities #	650.98	502.96	-	1,153.94
Mutual funds (Invested by PFL EWT)	-	-	2.93	2.93
Others -				
PTC securities	3.65	-	-	3.65
Security receipts	-	-	181.11	181.11
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	654.63	502.96	184.04	1,341.63
B) Other details :				
Investments in India	654.63	502.96	184.04	1,341.63
Investments outside India	-	-	-	-
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	654.63	502.96	184.04	1,341.63

As at March 31, 2024

Particulars	Amortised cost	At Fair Value through Other comprehensive income	At Fair Value through profit and loss	Total
A) Investments in:				
Government Securities #	350.27	303.78	-	654.05
Others -				
PTC securities	16.30	-	-	16.30
Security receipts	-	-	207.98	207.98
Total – Gross (I)	366.57	303.78	207.98	878.33
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	366.57	303.78	207.98	878.33
B) Other details:				
Investments in India	366.57	303.78	207.98	878.33
Investments outside India	-	-	-	-
Total – Gross (I)	366.57	303.78	207.98	878.33
Less: Allowance for impairment loss (II)	-	-	-	-
Total – Net (I)-(II)	366.57	303.78	207.98	878.33

Investment in Government Securities includes ₹ 380.97 crores in T-bill and ₹ 650.98 crores in Repo instruments. (March 31, 2024 : ₹ 160.91 crores in T-bill and ₹ 350.27 crores in Repo instruments).

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

9. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Accrued interest	1.60	4.28
Advances recoverable	25.78	68.97
Receivable on assigned loans	99.16	110.51
Security deposits	19.19	9.55
Advances to related parties #	2.31	7.21
Others *	36.06	58.06
Total (Gross)	184.10	258.58
Less: Impairment loss allowance	(1.91)	(0.77)
	182.19	257.81

Refer Note 46 related party disclosure for detailed disclosure.

* Others include receivables on credit guarantee scheme amounting to ₹35.48 crores (March 31, 2024 - ₹ 50.25 crores)

10. CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Advance tax (net of provisions)	141.51	171.70
	141.51	171.70

11. INCOME TAX

A. Income tax recognised in the statement of profit and loss

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Current tax		
Current tax	-	610.13
Tax expense for earlier years	0.26	(9.73)
	0.26	600.40
Deferred tax		
On account of timing differences	(37.32)	(117.74)
	(37.32)	(117.74)
Tax expense of continued operations	(37.06)	482.66
Tax expense of discontinued operations	-	10.52
Total tax expense	(37.06)	493.18

B. Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Remeasurements of the defined benefit plans	(0.49)	0.21
Financial instruments fair value through other comprehensive income	0.03	0.07
Cash Flow Hedge Reserve	(4.27)	-
	(4.73)	0.28

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

11. INCOME TAX (CONTD.)

C. Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	%	Amount	%	Amount
Profit/(loss) before tax		(135.40)		2,134.17
(Loss) on which Company's domestic tax rate would be applied	25.17%	(135.40)	25.17%	(174.80)
Profit on which Company's special tax rate would be applied	-	-	22.88%	2,308.97
Tax as per above		(34.08)		484.30
Effect of:				
Non-taxable income/tax incentives/disallowable expenses	2.39%	(3.24)	0.38%	8.09
Effective tax rate	27.56%	(37.32)	23.07%	492.39
Provisions relating to earlier years	(0.19%)	0.26	(0.46)%	(9.73)
Income tax expense reported in the statement of profit and loss	27.37%	(37.06)	22.62%	482.66
Profit before tax from discontinued operations		-		42.07
Income tax expense reported in the statement of profit and loss for discontinued operations	-	-	25.01%	10.52

D. Deferred tax assets (net)

Particulars	As at April 1, 2024	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2025
Deferred tax assets:				
Impairment loss allowance	257.36	(15.89)	-	241.47
Application of effective interest rate method on financial assets and financial liabilities	51.31	34.88	-	86.19
Provision for employee benefits	1.91	0.68	-	2.59
Cash flow hedge reserve	-	-	4.27	4.27
Business loss/unabsorbed depreciation	-	62.85	-	62.85
Lease liabilities	34.12	16.39	-	50.51
On written down value of property, plant and equipment	2.59	5.12	-	7.71
Others (primarily other financial liabilities)	-	0.03	-	0.03
	347.29	104.06	4.27	455.62
Deferred tax liabilities:				
EIS receivable	27.81	(2.86)	-	24.95
On financial assets and financial liabilities	121.26	54.89	-	176.15
Gratuity (excess of plan assets over obligation)	0.96	0.87	(0.49)	1.34
Right of use assets	29.53	13.84	-	43.37
Others (primarily other financial assets)	4.31	(0.00)	0.03	4.33
	183.87	66.74	(0.46)	250.14
Net deferred tax assets	163.42	37.32	4.73	205.48

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

11. INCOME TAX (CONTD.)

Particulars	As at April 1, 2023	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2024
Deferred tax assets:				
Impairment loss allowance	74.19	183.17	-	257.36
Application of effective interest rate method on financial assets and financial liabilities	34.52	16.79	-	51.31
Provision for employee benefits	1.84	0.07	-	1.91
On written down value of property, plant and equipment	-	2.59	-	2.59
Lease liabilities	22.55	11.57	-	34.12
	133.10	214.19	-	347.29
Deferred tax liabilities:				
On written down value of property, plant and equipment	3.02	(3.02)	-	-
Loans	3.87	(3.87)	-	-
EIS receivable	7.71	20.10	-	27.81
On financial assets and financial liabilities	50.01	71.25	-	121.26
Gratuity (excess of plan assets over obligation)	0.43	0.32	0.21	0.96
Right of use assets	18.89	10.64	-	29.53
Others (primarily other financial assets)	3.29	0.95	0.07	4.31
	87.22	96.37	0.28	183.87
Net deferred tax assets	45.88	117.82	(0.28)	163.42
Adjustment for discontinued operation	1.72	(1.72)	-	-
Net deferred tax assets for continuing operation	47.60	-	-	163.42

E. Uncertain tax positions

Refer Note 48 on contingent liabilities and commitment relating to income tax matter under dispute.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

12. INVESTMENT PROPERTY

Particulars	Gross carrying amount			Depreciation			Net carrying amount	
	As at April 01, 2024	Additions	Deletions/ adjustments	As at March 31, 2025	As at April 01, 2024	Additions / adjustments	As at March 31, 2025	As at March 31, 2024
Investment property*	0.09	-	-	0.09	0.02	-	0.02	0.07
Particulars	Gross carrying amount			Depreciation			Net carrying amount	
	As at April 01, 2023	Additions	Deletions/ adjustments	As at March 31, 2024	As at April 01, 2023	Additions / adjustments	As at March 31, 2024	As at March 31, 2023
Investment property*	0.09	-	-	0.09	0.01	0.01	0.02	0.08

Amounts recognised in profit and loss for investment property

	Year ended March 31, 2025	Year ended March 31, 2024
Rental Income	0.03	0.03
Depreciation	0.00	0.01

* Registration of title is pending and hence fair value of the property has not been disclosed.

Description of item of property	Gross carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since	Reason for not being held in the name of the Company
Investment property	0.09	Gouri Shankar Rajgharia and Om Prakash Rajgharia	No	July 15,2004	Disputed

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

13. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount			Depreciation			Net carrying amount	
	As at April 01, 2024	Additions	Deletions/ adjustments	As at March 31, 2025	As at April 01, 2024	Additions / adjustments	As at March 31, 2025	As at March 31, 2024
Owned Assets[^]								
Buildings	2.83	-	1.29	1.54	0.43	0.04	0.25	1.32
Furniture and fixtures	3.22	2.20	1.37	4.05	2.32	0.29	1.11	2.55
Vehicles	0.52	-	0.33	0.19	0.34	0.02	0.23	0.06
Office equipment	11.53	5.88	2.28	15.13	4.42	2.23	2.05	10.53
Leasehold improvements	3.77	7.78	1.42	10.13	2.89	0.61	1.26	7.89
Computers	26.83	9.78	3.66	32.95	18.15	6.10	3.61	12.31
Assets under Lease								
Vehicles	73.64	-	23.01	50.63	34.01	11.97	15.70	20.35
Total	122.34	25.64	33.36	114.62	62.56	21.26	24.21	59.61

Particulars	Gross carrying amount			Depreciation			Net carrying amount	
	As at April 01, 2023	Additions	Deletions/ adjustments	As at March 31, 2024	As at April 01, 2023	Additions / adjustments	As at March 31, 2024	As at March 31, 2023
Owned Assets[^]								
Land	0.30	-	0.30	-	-	-	-	0.30
Buildings	2.83	-	-	2.83	0.37	0.06	-	2.40
Wind mills	51.08	-	51.08	-	24.56	1.47	26.03	-
Furniture and fixtures	7.06	0.29	4.13	3.22	5.00	0.44	3.12	0.90
Vehicles	1.35	-	0.83	0.52	0.69	0.11	0.46	0.18
Office equipment	15.92	5.93	10.32	11.53	12.19	1.73	9.50	7.11
Leasehold improvements	10.50	0.01	6.74	3.77	8.29	0.36	5.76	0.88
Computers	29.85	0.79	3.81	26.83	16.07	5.84	3.76	8.68
Assets under Lease								
Vehicles	96.03	-	22.39	73.64	29.92	18.38	14.29	39.63
Total	214.92	7.02	99.60	122.34	97.09	28.39	62.92	59.78

[^] For details of immovable property hypothecated against borrowings, refer Note 20.
The Company had sold its “windmills” during the year ending March 31, 2024, refer note 41.
There is no immovable property (except Investment property) where title deed of such immovable property is not held in name of the Company or jointly held with others.
For details on contractual commitment, refer note 48(d).



Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

14. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at April 01, 2023	Additions	Capitalised during the year	As at March 31, 2024	Additions	Capitalised during the year	As at March 31, 2025
Intangible assets under development	4.56	1.39	5.69	0.26	14.08	3.91	10.43

Intangible assets under development ageing schedule as at March 31, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	10.43	-	-	-	10.43
Projects temporarily suspended	-	-	-	-	-
	10.43	-	-	-	10.43

Intangible assets under development ageing schedule as at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.26	-	-	-	0.26
Projects temporarily suspended	-	-	-	-	-
	0.26	-	-	-	0.26

Refer note 48 (d) for capital commitments.

15. OTHER INTANGIBLE ASSETS

Particulars	Gross carrying amount				Amortisation				Net carrying amount			
	As at April 01, 2024	Additions	Deletions / adjustments	As at March 31, 2025	As at April 01, 2024	Additions	Deletions / adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Computer software	25.43	4.93	4.87	25.49	8.43	5.52	4.87	9.08	16.41	17.00	17.00	17.00
Total	25.43	4.93	4.87	25.49	8.43	5.52	4.87	9.08	16.41	17.00	17.00	17.00
Particulars	Gross carrying amount				Amortisation				Net carrying amount			
	As at April 01, 2023	Additions	Deletions / adjustments	As at March 31, 2024	As at April 01, 2023	Additions	Deletions / adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer software	34.76	9.94	19.27	25.43	20.51	5.46	17.54	8.43	17.00	17.00	17.00	14.25
Total	34.76	9.94	19.27	25.43	20.51	5.46	17.54	8.43	17.00	17.00	17.00	14.25

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

16. RIGHT OF USE ASSETS

Particulars	Gross Block				Accumulated amortisation				Net carrying amount			
	As at April 01, 2024	Additions	Deletions / adjustments	As at March 31, 2025	As at April 01, 2024	Additions	Deletions / adjustments	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Right of use assets	151.29	95.75	4.24	242.80	33.94	38.32	1.77	70.49	172.31	117.35	117.35	117.35
Total	151.29	95.75	4.24	242.80	33.94	38.32	1.77	70.49	172.31	117.35	117.35	117.35
Particulars	Gross Block				Accumulated amortisation				Net carrying amount			
	As at April 01, 2023	Additions	Deletions / adjustments	As at March 31, 2024	As at April 01, 2023	Additions	Deletions / adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Right of use assets	99.99	86.96	35.66	151.29	24.94	25.46	16.46	33.94	117.35	117.35	117.35	75.05
Total	99.99	86.96	35.66	151.29	24.94	25.46	16.46	33.94	117.35	117.35	117.35	75.05

Refer Note 43 for disclosure related to leases.

17. OTHER NON-FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Other advances		
- Prepaid expenses	58.39	15.43
- Balances with government authorities	38.53	7.02
- Gratuity* (excess of plan assets over obligation)	5.28	3.78
Capital Advances	3.22	0.64
	105.42	26.87

* Refer Note 42 for disclosure related to provisions for employee benefits.

18. ASSETS HELD FOR SALE

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in Joint Venture	50.70	50.70
	50.70	50.70

The Board of Directors and Shareholders of the Company in their respective meetings had approved sale of its shareholding in joint venture Jaguar Advisory Services Private Limited (JASPL) held on November 2, 2021 and December 13, 2021. The Board has reaffirmed plan to sell it's shareholding in JASPL in its meeting held on April 25, 2025. The sale will be subject to requisite regulatory approvals. Accordingly, in line with the requirements of Ind AS 105 "Non-current assets Held for Sale", such investment has been classified as assets held for sale.



Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

19. PAYABLES

Particulars	As at March 31, 2025	As at March 31, 2024
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises*	1.69	0.02
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.24	1.22
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	0.32	2.13
	4.25	3.37

*The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2025	As at March 31, 2024
a) Dues remaining unpaid to any supplier at the year end		
- Principal	1.69	0.02
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

Trade payables ageing schedule as at March 31, 2025

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues - MSME	1.69	-	-	-	1.69
Undisputed dues - Others	2.22	0.02	-	-	2.24
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	3.91	0.02	-	-	3.93

Trade payables ageing schedule as at March 31, 2024

Particulars	Less than 1 year	1 -2 years	2-3 years	More than 3 years	Total
Undisputed dues - MSME	0.02	-	-	-	0.02
Undisputed dues - Others	1.22	-	-	-	1.22
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	1.24	-	-	-	1.24

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

20. DEBT SECURITIES

Measured at amortised cost - Secured

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Redeemable non-convertible debentures (refer note (a) and (b) below)	1,663.99	1,227.09
Total	1,663.99	1,227.09
(B) Debt securities in India	1,663.99	1,227.09
Total	1,663.99	1,227.09

(a) Nature of security

Debentures issued under private placement are secured by First pari passu charge on the loan assets of the Company. Debentures issued under public issue are secured by mortgage of Company's immovable property situated at Luz Church Road, Mylapore, Chennai and are also secured against designated loan assets. The Company has maintained sufficient asset cover towards principle, interest accrued and such other sums as stated in respective information memorandum.

(b) Terms of repayment for secured redeemable non-convertible debentures *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
500	1,000,000	Apr-17	Apr-24	9.00%	-	50.00
61,717	1,000	May-19	May-24	10.04%	-	6.16
778,150	1,000	May-19	May-24	10.50%	-	77.79
11,949	1,000	May-19	May-24	Zero coupon	-	1.19
2,500	1,000,000	Jul-22	Jul-24	7.60%	-	250.00
500	1,000,000	Sep-22	Oct-24	Zero coupon	-	49.99
3,500	1,000,000	Dec-19	Dec-24	9.20%	-	87.35
10,000	100,000	Jan-23	Jan-26	Zero coupon	100.00	100.00
10,000	100,000	Feb-23	Feb-26	7.85%	100.00	100.00
25,000	100,000	Feb-24	Feb-26	8.38%	249.99	249.99
25,000	100,000	Feb-24	May-26	8.38%	249.99	249.99
26,735	1,000	May-19	May-29	10.27%	2.64	2.63
20,323	1,000	May-19	May-29	10.75%	2.01	2.00
7,500	100,000	Apr-24	Apr-26	8.32%	74.99	-
42,500	100,000	Sep-24	Sep-26	8.20%	424.86	-
31,000	100,000	Nov-24	Nov-29	8.03%	309.67	-
15,000	100,000	Jan-25	Nov-29	8.03%	149.84	-
					1,663.99	1,227.09

*As per contractual tenure

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

21. BORROWINGS (OTHER THAN DEBT SECURITIES)

Measured at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
(A) a) Term loans - secured		
- from banks	8,046.53	5,834.43
- from other parties	4,278.46	1,673.47
b) Loans repayable on demand (cash credit facilities and working capital demand loans) - secured		
- from banks	5,607.67	3,560.57
c) Other loans		
- Commercial paper - unsecured#	4,378.11	2,373.01
- Loan from Poonawalla Finance Private Limited (taken by PFL EWT) - unsecured ##	174.74	174.65
d) External Commercial Borrowings (ECBs) - Secured ^	1,493.46	-
Total	23,978.97	13,616.13
(B) Borrowings in India	22,485.51	13,616.13
Borrowings outside India	1,493.46	-
Total	23,978.97	13,616.13

(a) Nature of security

- i) Term Loans, External Commercial Borrowings, Cash Credit facilities and Working Capital Demand Loans are secured by way of first pari passu charge on the loan receivables of the company under Security Trustee Arrangement.

(b) Terms of repayment of term loans (secured) *

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Half yearly installments				
0 - 1 Year	7.11% - 8.75%	6.70% - 8.55%	787.26	453.90
1 - 3 Years	7.11% - 8.75%	7.56% - 8.55%	1,259.03	1,201.13
3 - 5 Years	7.67% - 8.75%	8.10% - 8.55%	637.14	837.43
≥ 5 Years	-	8.10%	-	20.82
			2,683.42	2,513.28
Quarterly installments				
0 - 1 Year	6.50% - 8.65%	7.60% - 8.65%	2,617.83	1,059.24
1 - 3 Years	6.50% - 8.65%	7.60% - 8.65%	5,084.55	2,445.81
3 - 5 Years	6.50% - 8.45%	7.60% - 8.30%	1,939.17	1,341.71
≥ 5 Years	-	8.12% - 8.30%	-	147.81
			9,641.56	4,994.57
Monthly installments				
0 - 1 Year	12.00%	12.00%	0.01	0.04
1 - 3 Years	-	12.00%	-	0.01
			0.01	0.05
			12,324.99	7,507.90

*As per contractual tenure.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES) (CONTD.)

(c) ^ Terms of repayment of external commercial borrowings

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
1 - 3 Years	7.97% - 8.17%	-	1,493.46	-
			1,493.46	-

(d) Details of cash credit facilities and working capital demand loans

The cash credit facilities are repayable on demand and carry interest rates ranging from 8.00% to 9.50% (March 31, 2024: from 8.15% to 9.10% p.a). Working capital demand loans are repayable on demand and carry interest rates ranging from 7.24% to 9.00% (March 31, 2024: from 7.23 % to 8.60 % p.a.). As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature.

Commercial papers are repayable within 12 months and issued at a discount rate of 7.42 % p.a. - 8.78% p.a. (March 31, 2024: 7.13 % p.a. - 8.78% p.a.)

Loan taken by PFL EWT has a maturity of 4 years (until March 2028) and borrowed at a rate of 9% p.a.

- (e) The Company has used the borrowings from banks and financial institutions for the purpose for which it was taken as at the balance sheet date.

22. SUBORDINATED LIABILITIES

Measured at amortised cost - Unsecured

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Perpetual debt instruments (Tier I capital) to the extent that do not qualify as equity	28.48	28.38
Others (Tier II capital) :		
From banks (subordinated term loan)	99.86	99.71
Redeemable non-convertible subordinated debt instruments to the extent that do not qualify as equity	109.25	108.82
Total	237.59	236.91
(B) Subordinated liabilities in India	237.59	236.91
Total	237.59	236.91

(a) Terms of maturity of perpetual debt instruments (Tier I capital) *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
40	500,000	Sep-15	Sep-25	12.10%	2.00	1.99
100	500,000	Oct-15	Oct-25	12.10%	4.99	4.97
60	500,000	Jun-16	Jun-26	12.10%	2.99	2.99
34	500,000	Jul-16	Jul-26	12.10%	1.70	1.69
100	1,000,000	Aug-16	Jul-26	12.10%	9.95	9.91
30	1,000,000	Sep-16	Sep-26	12.10%	2.98	2.97
19	1,000,000	Feb-17	Feb-27	11.50%	1.89	1.88
10	1,000,000	Mar-17	Mar-27	11.50%	0.99	0.99
10	1,000,000	Aug-17	Aug-27	11.00%	0.99	0.99
					28.48	28.38

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

22. SUBORDINATED LIABILITIES (CONTD.)

Terms of repayment of subordinated term loans from banks (Tier II capital) *

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
0 - 1 Year	12.50%	-	99.86	-
1 - 3 Years	-	12.50%	-	99.71
			99.86	99.71

*As per contractual tenure

Terms of maturity of redeemable non-convertible subordinated debt instruments (Tier II capital) *

Number of Debentures	Face Value	Month of Allotment	Month of Redemption	Interest rate	Amount (₹ in crores)	
					As at March 31, 2025	As at March 31, 2024
50	1,000,000	Mar-18	Jun-25	10.20%	5.00	4.99
350	1,000,000	Dec-16	Dec-26	10.40%	34.65	34.44
400	1,000,000	Jan-17	Jan-27	10.40%	39.69	39.52
150	1,000,000	Mar-17	Mar-27	10.25%	14.97	14.95
100	1,000,000	May-17	May-27	10.10%	9.97	9.96
50	1,000,000	Mar-18	Mar-28	10.00%	4.97	4.96
					109.25	108.82

The Company has made all payments of principal and interest as per the repayment date.

*As per contractual tenure.

23. LEASE LIABILITIES*

Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities	200.69	135.59
	200.69	135.59

*Refer Note 43 for disclosure related to leases.

24 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued	102.22	68.36
Unclaimed dividend*	0.35	0.30
Pending remittance on assignment	194.20	167.34
Employee dues	42.18	25.18
Liability for expenses	217.75	268.24
Other payables	143.16	67.84
	699.86	597.26

*There has been no delay in transfer of amounts required to be transferred to Investor Education and Protection Fund.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

25 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax)	0.24	0.01
	0.24	0.01

26 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for compensated absences*	10.37	7.59
Provision on undrawn commitments	1.36	-
Provision - others	0.94	0.94
	12.67	8.53

*Refer Note 42 for disclosure related to provisions for employee benefits.

27 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue received in advance	17.74	1.62
Advances and deposits from customers	12.91	18.62
Statutory dues	24.71	74.69
	55.36	94.93

28 EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
1,265,000,000 (March 31, 2024: 1,265,000,000) Equity shares of ₹ 2/- each	253.00	253.00
58,300,000 (March 31, 2024: 58,300,000) Preference shares of ₹ 100/- each	583.00	583.00
	836.00	836.00
Issued, subscribed and fully paid-up		
Equity share capital		
778,014,400 (March 31, 2024: 774,550,662) Equity shares of ₹ 2/- each, fully paid up	155.60	154.91
Less: equity shares 5,080,000 (March 31, 2024: 4,000,000) of ₹ 2/- each held by the PFL EWT	(1.02)	(0.80)
	154.58	154.11

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	770,550,662	154.11	767,947,592	153.59
Issued during the year	-	-	-	-
Issued against employee stock option	3,463,738	0.69	6,603,070	1.32
Shares acquired by the PFL EWT during the year	(1,080,000)	(0.22)	(4,000,000)	(0.80)
	772,934,400	154.58	770,550,662	154.11

(b) Terms / rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 2/- each. Each holder of equity share is entitled to one vote per share.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

28 EQUITY (CONTD.)

The dividend recommended by the Board of Directors and are approved by the shareholders in the Annual General Meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, the Company has allotted 3,463,738 equity shares of face value of ₹ 2 each to the eligible employees of the Company under Employee Stock Option Plan 2007 / Employee Stock Option Plan 2021 pursuant to the ESOP Guidelines, as amended from time to time. Refer note no 45 for disclosures related to share based payments.

(c) Shares allotted as fully paid-up without payment being received in cash / by way of bonus shares:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

(d) Shares bought back

The Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

(e) Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	%	No. of shares	%	No. of shares
Equity shares				
Rising Sun Holdings Private Limited*	62.53%	486,496,535	62.13%	481,217,690

*Holding Company

(f) Shareholding of Promoters

Shares held by promoters as at March 31, 2025			% Change during the year
Name of promoter	Number of shares	% of total shares	
Rising Sun Holdings Private Limited	486,496,535	62.53%	0.65%

Shares held by promoters as at March 31, 2024			% Change during the year
Name of promoter	Number of shares	% of total shares	
Rising Sun Holdings Private Limited	481,217,690	62.13%	-0.02%

(g) For equity shares reserved for issue under options, please refer note 45.

29 OTHER EQUITY*

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	4.80	4.80
Securities premium	5,538.72	5,418.53
Statutory reserves	926.50	926.50
Capital redemption reserve	14.22	14.22
Share option outstanding reserve	131.21	63.53
Treasury Shares	(177.01)	(186.05)
Trust Reserves	(78.13)	(0.75)
Retained earnings	1,659.65	1,759.46
Other comprehensive income	0.12	12.73
	8,020.08	8,012.97

*Refer Consolidated Statement of Changes in Equity for movement in reserves.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

29. OTHER EQUITY* (CONTD.)

Nature and purpose of reserves:

Capital reserve

Capital reserve has been created to set aside gains of capital nature from amalgamation and merger. It is utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)

Statutory reserve represents the Reserve Fund created under section 45-IC of the Reserve Bank of India Act, 1934. The Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in the consolidated statement of profit and loss. The statutory reserve can be utilised for the purposes as may be specified by the Reserve Bank of India from time to time.

Statutory reserve (created pursuant to Section 29C of National Housing Bank Act, 1987)

Statutory reserve represents the Reserve Fund created under section 29C of the National Housing Bank Act, 1987. Under section 29C, the GHFL (subsidiary) is required to transfer a sum not less than twenty percent of its net profit for the financial year to the statutory reserve. The statutory reserve can be utilized for the purposes as may be specified by the National Housing Bank from time to time.

Capital redemption reserve

Capital redemption reserve is created to keep the capital intact when preference shares are redeemed or equity shares are bought back. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding account

The Company instituted the Employee Stock Option Plan (ESOP) in 2007, Restricted Stock Option Plan 2014 (RSOP) in 2014, Employee Stock Option Plan 2021 in 2021 and Employee Stock Option Plan 2024 Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.

Treasury shares

The reserve for shares of the Company held by the PFL Employee Welfare Trust (PFL EWT). The Company has issued employees stock option scheme for its employees. The equity shares of the Company have been purchased and held by PFL EWT. PFL EWT to transfer in the name of employees at the time of exercise of option by employees

Trust Reserve

This represents net of income over expenditure of PFL EWT Trust.

Retained earnings

Retained earnings represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves. It also includes impact of remeasurement of defined benefit plans.

Financial instruments through other comprehensive income

(a) **On Debt Investments:** This comprises changes in the fair value of debt instruments recognised in other comprehensive income. The Company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

(b) **On Cash flow hedge reserve:** It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

30. INTEREST INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on loans (measured at amortised cost)	3,791.39	2,851.91
Interest on investments	80.87	45.61
Interest on deposits with banks	1.38	1.58
Other interest income		
- On security deposit	0.86	0.46
Total	3,874.50	2,899.56

31. RENTAL INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income from lease rentals		
- on operating lease assets	16.83	25.51
- on investment property	0.03	0.03
Total	16.86	25.54

32. FEES AND COMMISSION INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Collection and support services	2.76	6.39
Foreclosure income	35.59	31.72
Insurance commission income	38.70	1.79
Fees on value added services and products	39.83	14.10
Others (cheque bouncing charges, penal charges, etc)	75.38	19.22
Total	192.26	73.22

33. NET GAIN/(LOSS) ON FAIR VALUE CHANGES*

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(A) Net gain/(loss) on financial instruments at fair value through profit and loss		
On investment	(13.72)	2.15
Total Net gain/(loss) on fair value changes (A)	(13.72)	2.15
(B) Fair Value changes:		
Realised gain/(loss)	(13.72)	1.98
Unrealised gain/(loss)	-	0.17
Total Net gain/(loss) on fair value changes (B)	(13.72)	2.15

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

34 A NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gain from derecognition on account of direct assignment transactions	84.95	88.05
Gain on sale of non performing assets net of reversal of provision of ₹ 68.37 crores (March 31, 2024 - ₹ 44.86 crores)	21.19	20.49
Net gain on derecognition of financial instruments	106.14	108.54

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

34 B NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Loss on sale of non performing assets net of reversal of provision of ₹ 163.96 crores (March 31, 2024 - Nil)	(94.41)	-
Net loss on derecognition of financial instruments	(94.41)	-

35 OTHER INCOME

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Sale of power	-	3.69
Net gain on derecognition of lease	0.28	0.83
Liabilities no longer required	-	15.19
Net gain on derecognition of property, plant and equipment	6.18	-
Miscellaneous income	26.62	18.61
Total	33.08	38.32

36 FINANCE COST (MEASURED AT AMORTISED COST)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Interest on borrowings other than debt securities	1,354.92	827.36
Interest on debt securities	109.91	80.72
Interest on subordinated liabilities	15.44	18.47
Interest expense on lease liabilities *	16.51	12.50
Other borrowing costs (includes non-EIR borrowing expenses)	17.46	10.29
Interest on security deposits	0.85	0.96
Total	1,515.09	950.30

*Refer Note 43 for disclosure related to leases.

37 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Loans	177.13	(535.65)
Other assets	1.14	13.02
Bad debts written-off (includes settlement losses and net of recoveries)*	1,279.90	594.65
Total	1,458.17	72.02

*Includes consideration received on sale of written-off assets ₹ 61.25 crores (March 31, 2024 : ₹ 44.31 crores).

38 EMPLOYEE BENEFITS EXPENSES * ^

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Salaries and wages	487.39	315.39
Contribution to provident and other funds	24.77	18.06
Share based payments to employees	108.90	99.63
Staff welfare expenses	15.16	11.34
Total	636.22	444.42

* Refer Note 46 for related party disclosure.

^ Refer Note 45 for disclosure related to provisions for employee benefits.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

39 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Depreciation on property, plant and equipment (including investment property)	21.26	28.39
Amortisation on right of use assets (refer note 43)	38.32	25.46
Amortisation of intangible assets	5.52	5.46
Total	65.10	59.31

40 OTHERS EXPENSES

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Rent	2.86	1.93
Rates and taxes	0.53	1.28
Net loss on derecognition of property, plant and equipment	-	3.12
Electricity charges	6.82	5.89
Repairs and maintenance		
- Machinery	0.01	0.84
- Others	1.49	1.02
Information technology expenses	111.29	69.00
Communication expenses	10.30	7.38
Printing and stationery	4.54	3.05
Advertisement and publicity	55.53	45.94
Director Fees	5.14	4.17
Legal charges	13.72	17.09
Professional fees*	109.41	30.10
Insurance	0.40	0.57
Travelling and conveyance	12.71	10.56
CSR expenditure**	10.51	2.33
Outsource collection charges	145.07	23.78
Outsourced manpower cost	59.57	62.26
Miscellaneous expenses	25.63	13.32
	575.53	303.63

* Payments to auditors (net of GST credit availed)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Statutory audit including limited reviews	1.64	1.42
Other services	0.34	0.35
Reimbursement of expenses	0.22	0.10
Total	2.20	1.87

** Details of corporate social responsibility expenditure (“CSR”)

A CSR committee has been formed by the Company as per the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the said Act. The focus area of CSR initiatives undertaken by the Company are education, health and environment. The Company incurs CSR expenses directly.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

40. OTHERS EXPENSES (CONTD.)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
(a) Gross amount required to be spent by the Company during the year	10.46	2.33
(b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	10.51	2.33
(c) Shortfall at the end of the year	-	-
(d) Previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities		
i) Various CSR Programmes viz., Promoting Education, Women and Empowerment, Financial Literacy and Healthcare for under privileged and Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports		

(g) In case of section 135(6): Details of ongoing project

Particulars	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In separate CSR unspent a/c		From Company's Bank A/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
As at March 31, 2025	-	-	10.46	10.51	-	-	-
As at March 31, 2024	-	2.69	2.33	2.33	2.69	-	-

41. EXCEPTIONAL ITEMS

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Gain on disposal of shares of Subsidiary (Refer Note (a) below)	-	2,308.97
Exceptional provision for loan portfolio (Refer Note (b) below)	-	(1,298.31)
Exceptional Write off (Refer Note (c) below)	-	(174.95)
Loss on sale of Windmills (Refer Note (d) below)	-	(9.36)
One time settlement of outstanding litigations (Refer Note (e) below)	-	(9.83)
	-	816.52

- (a) During the previous year, the Company had sold its investment in Grihum Housing Finance Limited (“GHFL”)(Formerly known as Poonawalla Housing Finance Limited). Due to aforesaid sale transaction, GHFL ceased to be a subsidiary of the Company from the effective date (July 26, 2023). The resultant gain of ₹ 2,308.97 crores (net of expenses incurred towards the sale of subsidiary) has been classified and presented as an exceptional item in accordance with Ind AS 1 “Presentation of Financial Statements”.
- (b) The Company had created a one-time provision of ₹ 1,298.31 crores on discontinued/legacy loan portfolio.
- (c) The Company had done one-time additional write-off amounting ₹ 174.95 crores out of discontinued/ legacy loan portfolio.
- (d) The Company had sold its “windmills” for consideration ₹ 16 crores resulting in loss of ₹ 9.36 crores.
- (e) The Company had done one time settlement of old legal cases pertaining to discontinued and legacy loan portfolio amounting to ₹ 9.83 crores.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42. EMPLOYEE BENEFIT PLANS

The Company operates the following post-employment plans -

i. Defined contribution plan

The contribution made to various statutory funds is recognized as expenses and included in Note 38 'Employee benefits expenses' under 'Contribution to provident and other funds' in Statement of Profit and Loss. The detail is as follows :

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Provident and Other Funds	21.50	14.97

ii. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC) & Kotak Mahindra Life Insurance Company Limited . This defined benefit plan expose the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc. as defined below.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2025. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2025	As at March 31, 2024
Net defined benefit asset	5.28	3.78

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC) and Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below.

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	16.24	20.02	(3.78)	17.42	19.09	(1.67)
Included in statement of profit and loss						
Current service cost	3.59		3.59	3.28	-	3.28
Interest cost/(income)	1.12	(1.44)	(0.32)	1.22	(1.41)	(0.19)
	4.71	(1.44)	3.27	4.50	(1.41)	3.09

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42. EMPLOYEE BENEFIT PLANS (CONTD.)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Included in other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.67	-	0.67	0.20	-	0.20
- experience adjustment	0.82	-	0.82	0.32	-	0.32
Return on plan assets	-	0.47	0.47	-	(1.34)	(1.34)
	1.49	0.47	1.96	0.52	(1.34)	(0.82)
Other						
Contributions paid by the employer	-	6.72	(6.72)	-	4.37	(4.37)
Benefits paid	(1.76)	(1.75)	(0.02)	(6.20)	(6.19)	(0.01)
	(1.76)	4.97	(6.73)	(6.20)	(1.82)	(4.38)
Balance at the end of the year	20.68	25.97	(5.28)	16.24	20.02	(3.78)

C. Plan assets

	As at March 31, 2025	As at March 31, 2024
Funds managed by		
Life insurance Corporation of India (LIC)	84%	90%
Kotak Mahindra Life Insurnace Co. Ltd. (Kotak Life)	16%	10%
	100%	100%

On an annual basis, an asset-liability matching is done whereby the Company contributes the net increase in the actuarial liability to the plan manager (insurer) in order to manage the liability risk.

D. Actuarial assumptions

	As at March 31, 2025	As at March 31, 2024
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate (per annum)	6.67%	7.19%
Salary increase rate (per annum)	5.00%	5.00%
Withdrawal rate:		
Below 40 years (per annum)	18.00%	18.00%
40 years to 54 years (per annum)	7.00%	7.00%
Above 54 years (per annum)	2.00%	2.00%
Expected rate of return on plan assets (per annum)	7.19%	7.39%
Mortality	IALM (2012-14)	IALM (2012-14)
	Ultimate	Ultimate

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42. EMPLOYEE BENEFIT PLANS (CONTD.)

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at March 31, 2025		As at March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(20.36)	21.03	(15.99)	16.51
Salary increase rate (0.5% movement)	21.43	(19.98)	16.83	(15.69)
Withdrawal rate (2% movement)	(20.67)	20.71	(16.24)	16.26
Mortality rate (1% movement)	20.69	(20.69)	16.25	(16.25)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

	As at March 31, 2025	As at March 31, 2024
1 year	1.87	1.26
Between 2-5 years	9.61	7.87
Between 6-10 years	9.23	7.93
Over 10 years	7.54	5.88
Total	28.25	22.94

As at March 31, 2025, the weighted-average duration of the defined benefit obligation was 7.36 years (March 31, 2024: 7.35 years).

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate): Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk: The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Future Salary Increase Risk: Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.

Demographic Risk: If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

42. EMPLOYEE BENEFIT PLANS (CONTD.)

Regulatory Risk: Any changes to the current Regulations by the Government, will increase (in most cases) or decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

iii. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the statement of profit and loss for compensated absences is as under-

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Compensated absences	5.45	4.24

43. LEASES

As a lessee the Company classified property leases as operating leases under Ind AS 116.

A. Lease in the capacity of Lessee

a) **Nature:** Leases considered here are taken for official use.

b) **Other disclosures**

Following table summarises other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1) Depreciation charge for Right of use assets for Leasehold premises (presented under note - 39 "Depreciation, amortisation and impairment")	38.32	25.46
2) Interest expense on lease liabilities (presented under note - 36 "Finance costs")	16.51	12.50
3) Expense relating to short-term leases (presented under note - 40 "Other expenses"	1.91	1.40
4) Payments for principal portion of lease liability	27.91	20.93
5) Additions to right of use assets	95.75	86.96

Particulars	As at March 31, 2025	As at March 31, 2024
6) Carrying amount of right of use assets (presented under note - 16 "Right of use assets")	172.31	117.35
7) Lease liabilities (presented under note - 23 "Lease liabilities")	200.69	135.59

c) **Movement in the carrying value of the right of use assets**

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	117.35	75.05
Additions during the year	95.75	86.96
Depreciation charge for the year	(38.32)	(25.46)
Adjustment/deletion	(2.47)	(19.20)
Closing balance	172.31	117.35

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

43. LEASES (CONTD.)

d) Movement in the carrying value of the lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	135.59	89.58
Interest expense	16.51	12.50
Lease payments	(44.42)	(33.43)
Additions during the year	95.75	86.96
Adjustment/deletion	(2.74)	(20.02)
Closing balance	200.69	135.59

e) Maturity analysis of lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year	43.92	23.94
1 - 3 years	83.19	53.28
3 - 5 years	48.86	26.54
More than 5 years	24.72	31.83
Total	200.69	135.59

B. Lease in the capacity of Lessor

- a) Nature: Operating and finance lease of vehicles primarily to Corporate clients
- b) Company manages the risk associated with any rights it retains in underlying assets as per the terms of the respective lease contracts.

c) Future lease payments.

- i) At year end, the future lease receivables under operating leases are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1 st Year	13.74	22.33
2 nd Year	7.21	16.04
3 rd Year	2.83	8.13
4 th Year	-	3.26
Total	23.78	49.76

- ii) At year end, the future lease receivables under finance leases are as follows:

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1 st Year	60.50	83.74
2 nd Year	30.01	66.55
3 rd Year	5.64	32.55
4 th Year	-	6.07
Total	96.15	188.91

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

43. LEASES (CONTD.)

d) Reconciliation - Finance lease

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Net investment in lease (carrying amount of Finance lease)	88.28	163.43
Unearned finance income	7.87	25.48
Total lease payments	96.15	188.91

44. EARNINGS PER EQUITY SHARE (EPS)

Earnings per equity share for continuing operations

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
a) (i) Weighted average number of equity shares for basic EPS	Nos	771,799,364	768,641,528
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	1,379,075	9,180,774
(iii) Weighted average number of equity shares for diluted EPS	Nos	773,178,439	777,822,302
b) (i) Net profit/(loss) for equity shareholders for basic EPS	₹ in crores	(98.34)	1,651.51
(ii) Net profit/(loss) for equity shareholders for diluted EPS	₹ in crores	(98.34)	1,651.51
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	(1.27)	21.48
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	(1.27)	21.23

Earnings per equity share for discontinued operations

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
a) (i) Weighted average number of equity shares for basic EPS	Nos	771,799,364	768,641,528
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	1,379,075	9,180,774
(iii) Weighted average number of equity shares for diluted EPS	Nos	773,178,439	777,822,302
b) (i) Net profit/(loss) for equity shareholders for basic EPS	₹ in crores	-	31.24
(ii) Net profit/(loss) for equity shareholders for diluted EPS	₹ in crores	-	31.24
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	-	0.41
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	-	0.40

Earnings per equity share for continuing and discontinued operations

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
a) (i) Weighted average number of equity shares for basic EPS	Nos	771,799,364	768,641,528
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	1,379,075	9,180,774
(iii) Weighted average number of equity shares for diluted EPS	Nos	773,178,439	777,822,302
b) (i) Net profit/(loss) for equity shareholders for basic EPS	₹ in crores	(98.34)	1,682.75
(ii) Net profit/(loss) for equity shareholders for diluted EPS	₹ in crores	(98.34)	1,682.75
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	(1.27)	21.89
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	(1.27)	21.63

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45. SHARE-BASED PAYMENTS

A Description of share-based payment arrangements

The Company instituted the Employee Stock Option Plan (ESOP) 2007 in 2007, Restricted Stock Option Plan 2014 (RSOP) in 2014, Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company.

ESOP, 2007

Under ESOP 2007, the Company provided for the creation and issue of 1,000,000 options, that would eventually convert into equity shares of ₹ 10/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Company. The options generally vest in a graded manner and are exercisable within 3/4 years from the date of vesting. Following the sub-division of one equity share of the face value of ₹ 10/- each into five equity shares of the face value of ₹ 2/- each during the financial year ended 31 March 2011, the number of options increased from 1,000,000 to 5,000,000.

The Nomination and Remuneration Committee of the Company has allotted 3,200 options under ESOP 2007 to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). The scheme is closed as at March 31, 2025.

RSOP, 2014

Under RSOP 2014, the Company provided for the creation and issue of 5,000,000 awards, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The awards are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the exercise price of the face value of ₹ 2/- each. The awards generally will vest in a graded manner and are exercisable within 3 years from the date of vesting. The shareholders of the Company on July 24, 2021 had amended the RSOP 2014 by increasing existing plan pool from 5,000,000 equity shares having face value of ₹ 2 per equity share to 10,000,000 Equity Shares.

The Nomination and Remuneration Committee of the Company had allotted awards under RSOP 2014 to the eligible employees of the Company (each award entitles the award holder to 1 equity share of ₹ 2/- each). The scheme is closed as at March 31, 2024.

ESOP, 2021

The shareholders of the Company on July 24, 2021 had instituted ESOP Plan 2021 wherein the Company provided for the creation and issue of 15,000,000 options, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the fair market value. The options generally will vest in a graded manner and are exercisable within 3 years from the date of vesting (refer note C below for details of modification).

During the year 2,008,740 options were lapsed and added in the pool. The Nomination and Remuneration Committee of the Company has allotted 3,460,538 options under ESOP 2021 to the eligible employees of the Company (each award entitles the award holder to 1 equity share of ₹ 2/- each).

During the year, the Nomination and Remuneration Committee of the Company has granted 40,000 options under ESOP 2021 to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). Further, the Nomination and Remuneration Committee of the Company at its meeting held on June 01, 2024 cancelled ungranted stock options under the Employee Stock Option Plan-2021 ("ESOP - 2021") and that any stock option getting lapsed in future shall also not be reissued.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45. SHARE-BASED PAYMENTS (CONTD.)

ESOP - 2024

The shareholders of the Company on 19 February 2024 had instituted ESOP - 2024 through an Employee Welfare Trust. In this regard, the Company had set up Trust named as – PFL Employee Welfare Trust to acquire, purchase, hold and deal in fully paid-up Equity Shares by way of secondary acquisition for the purpose of implementation of the ESOP - 2024. The maximum aggregate number of Options that may be granted and thereby transfer of Shares by the Trust under ESOP - 2024 shall not exceed 15,000,000 Shares.

During the year, the Nomination and Remuneration Committee of the Company at its meeting held on June 01, 2024, recommended evaluation for cancellation of ESOP - 2024 through trust route and subsequent dissolution of the PFL Employee Welfare Trust subject to requisite approvals and compliances as per applicable law.

ESOP - 2024 Scheme II

The shareholders of the Company on 13 May 2024 had instituted ESOP - 2024 Scheme II wherein the Company provided for the creation and issue of 20,000,000 options, that would eventually convert into equity shares of ₹ 2/- each in the hands of the Company's employees. The options are to be granted to the eligible employees at the discretion of the Nomination and Remuneration Committee of the Company and at the fair market value. The options generally will vest in a graded manner and are exercisable within 36 months from the date of vesting.

During the year, the Nomination and Remuneration Committee of the Company has granted 18,052,000 options under ESOP - 2024 Scheme II to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). During the year 8,000 options were lapsed and added in the pool.

B Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option of Poonawalla Fincorp Limited was ₹ 105.40 (March 31, 2024: ₹ 134.16).

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

Particulars	Units	Year ended March 31, 2025	Year ended March 31, 2024
Fair value at grant date	₹	69.95 - 163.62	128.68 - 193.49
Share price at grant date	₹	276.2 - 478.15	315.10 - 501.55
Exercise price	₹	279.7 - 484.58	297.83 - 498.80
Expected volatility (weighted average volatility)	%	35.96 - 42.28	43.63 - 52.82
Expected life (expected weighted average life)	years	2.1 - 3.09	3.04
Expected dividend Yield	%	0.53 - 1.08	0.10 - 0.63
Risk-free interest rate (based on government bonds)	%	6.46 - 6.99	6.79 - 7.24

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour .

C Modification of ESOP plan

During the year ended March 31, 2025, Nomination and Remuneration Committee of the Company has approved modification of vesting schedule for ESOP 2021, in line with ESOP 2024 Scheme II. Under ESOP 2021, the revised vesting schedule provides for the vesting of the total options granted over a 3 year period from earlier vesting schedule of over 4 year period. Accordingly, the Company has accounted the modification in line with Ind AS 102 - 'Share Based Payments'. As a result of modification, there is no incremental fair value for the options modified. The impact on Statement of profit and loss of this modification is ₹ 23.06 crores.

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45. SHARE-BASED PAYMENTS (CONTD.)

D Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

ESOP, 2007

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	3,200	2.00	57,560	13.16
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	3,200	2.00	45,560	16.11
Less: Lapsed/forfeited during the year	-	-	8,800	2.00
Outstanding options at the end of the year	-	-	3,200	2.00
Options vested and exercisable at the end of the year	-	-	3,200	2.00

There are Nil options outstanding as at March 31, 2025. The exercise price of the options outstanding as at March 31, 2024 had an exercise price of ₹ 2 per option.

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ 488.05 (March 31, 2024: ₹ 371.16).

RSOP 2014

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	5,233,161	2.98
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	5,194,665	2.72
Less: Lapsed/forfeited during the year	-	-	38,496	38.21
Outstanding options at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ Nil (March 31, 2024: ₹ 464.30).

ESOP, 2021

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	10,106,632	262.00	10,991,975	234.71
Add: Granted during the year	40,000	484.58	3,542,500	321.91
Less: Exercised during the year	3,460,538	230.46	1,362,845	211.33
Less: Lapsed/forfeited during the year	2,008,740	272.36	3,064,998	255.89
Outstanding options at the end of the year	4,677,354	282.80	10,106,632	262.00
Options vested and exercisable at the end of the year	2,352,278	264.49	376,752	242.28

The options outstanding at March 31, 2025 have an exercise price in the range of ₹ 164.42 to ₹ 498.80 (March 31, 2024: ₹ 164.42 to ₹ 498.80) and a weighted average remaining contractual life of years 0.78 years (March 31, 2024: 2.48 years).

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45. SHARE-BASED PAYMENTS (CONTD.)

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was ₹ 400.59 (March 31, 2024: ₹ 402.48).

ESOP, 2024 Scheme II

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	-	-
Add: Granted during the year	18,052,000	430.00	-	-
Less: Exercised during the year	-	-	-	-
Less: Lapsed/forfeited during the year	8,000	448.55	-	-
Outstanding options at the end of the year	18,044,000	429.99	-	-
Options vested and exercisable at the end of the year	-	-	-	-

The options outstanding at March 31, 2025 have an exercise price in the range of ₹ 279.70 to ₹ 471.55 (March 31, 2024: Nil) and a weighted average remaining contractual life of years 2.33 years (March 31, 2024: Nil).

The weighted average share price at the date of exercise for share options exercised during the year ended March 31, 2025 was Nil (March 31, 2024: Nil).

E Equity shares reserved for issue under options

	No. of options granted	Exercise price (₹)	Year ended March 31, 2025		Year ended March 31, 2024	
			No. of options	Amount	No. of options	Amount
Under ESOP 2007:						
Tranche 27	92,000	2.00	-	-	3,200	0.00
Under ESOP 2021:						
Tranche 1	1,500,000	175.48	200,000	0.04	350,000	0.07
Tranche 2	4,325,750	164.42	178,197	0.04	1,164,630	0.23
Tranche 4	2,092,050	238.55	254,858	0.05	1,426,935	0.29
Tranche 5	3,941,400	251.28	911,445	0.18	1,645,492	0.33
Tranche 6	1,361,500	230.45	316,809	0.06	1,097,350	0.22
Tranche 7	311,250	229.29	35,000	0.01	270,125	0.05
Tranche 8	1,437,000	307.89	483,395	0.10	603,100	0.12
Tranche 9	412,500	298.95	230,450	0.05	364,000	0.07
Tranche 10	567,500	297.83	243,000	0.05	265,000	0.05
Tranche 11	330,000	311.78	120,200	0.02	330,000	0.07
Tranche 12	300,000	307.06	-	-	300,000	0.06
Tranche 13	640,000	329.90	369,000	0.07	590,000	0.12
Tranche 14	200,000	391.82	-	-	200,000	0.04
Tranche 15	80,000	379.06	75,000	0.02	75,000	0.02
Tranche 16	40,000	377.00	35,000	0.01	40,000	0.01
Tranche 17	1,000,000	300.26	1,000,000	0.20	1,000,000	0.20
Tranche 18	200,000	321.19	-	-	200,000	0.04
Tranche 19	20,000	370.80	20,000	0.00	20,000	0.00
Tranche 20	100,000	376.36	100,000	0.02	100,000	0.02
Tranche 21	50,000	498.80	50,000	0.01	50,000	0.01
Tranche 22	15,000	462.30	15,000	0.00	15,000	0.00

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

45. SHARE-BASED PAYMENTS (CONTD.)

	No. of options granted	Exercise price (₹)	Year ended March 31, 2025		Year ended March 31, 2024	
			No. of options	Amount	No. of options	Amount
Tranche 23	40,000	484.58	40,000	0.01	-	-
Under ESOP 2024 Scheme II:						
Tranche 1	132,000	448.55	124,000	0.02	-	-
Tranche 2	50,000	358.84	50,000	0.01	-	-
Tranche 3	8,000,000	459.58	8,000,000	1.60	-	-
Tranche 4	2,000,000	471.55	2,000,000	0.40	-	-
Tranche 5	230,000	438.53	230,000	0.05	-	-
Tranche 6	1,500,000	471.55	1,500,000	0.30	-	-
Tranche 7	270,000	409.55	270,000	0.05	-	-
Tranche 8	300,000	471.55	300,000	0.06	-	-
Tranche 9	50,000	405.18	50,000	0.01	-	-
Tranche 10	100,000	349.93	100,000	0.02	-	-
Tranche 11	300,000	401.70	300,000	0.06	-	-
Tranche 12	500,000	390.60	500,000	0.10	-	-
Tranche 13	300,000	382.63	300,000	0.06	-	-
Tranche 14	600,000	403.20	600,000	0.12	-	-
Tranche 15	845,000	393.48	845,000	0.17	-	-
Tranche 16	200,000	361.10	200,000	0.04	-	-
Tranche 17	100,000	327.88	100,000	0.02	-	-
Tranche 18	60,000	368.28	60,000	0.01	-	-
Tranche 19	10,000	358.90	10,000	0.00	-	-
Tranche 20	300,000	360.00	300,000	0.06	-	-
Tranche 21	75,000	363.83	75,000	0.02	-	-
Tranche 22	60,000	356.15	60,000	0.01	-	-
Tranche 23	310,000	353.95	310,000	0.06	-	-
Tranche 24	14,000	320.43	14,000	0.00	-	-
Tranche 25	425,000	320.30	425,000	0.09	-	-
Tranche 26	185,000	321.98	185,000	0.04	-	-
Tranche 27	370,000	310.85	370,000	0.07	-	-
Tranche 28	176,000	321.68	176,000	0.04	-	-
Tranche 29	315,000	312.18	315,000	0.06	-	-
Tranche 30	75,000	287.15	75,000	0.02	-	-
Tranche 31	150,000	279.70	150,000	0.03	-	-
Tranche 32	50,000	285.93	50,000	0.01	-	-

Amount recognised in Statement of profit and loss

Year ended March 31, 2025: ₹ 108.90 crores

Year ended March 31, 2024: ₹ 99.63 crores

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46. RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24)

(i) Name of related parties and description of relationship (entities / person with whom the Company has transactions):

A Holding Company

Rising Sun Holdings Private Limited

B Fellow Subsidiary

Poonawalla Finance Private Limited

C Member of Promoter group

Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)

D Joint Venture

Jaguar Advisory Services Private Limited

E Key Managerial Personnel ('KMP')	Nature of Relationship
Mr. Adar Cyrus Poonawalla	Chairman & Non-executive Director
Mr. Arvind Kapil	Managing Director and Chief Executive Officer (Appointed w.e.f. June 10, 2024)
Mr. Abhay Bhutada	Managing Director (ceased to be Director w.e.f. June 09, 2024)
Mr. Sunil Samdani	Whole-time Director (Appointed w.e.f. October 20, 2023)
Mr. Sanjay Miranka	Chief Financial Officer
Mrs. Shabnum Zaman	Company Secretary
Mr. Bontha Prasada Rao	Independent Non Executive Director
Mrs. Vijayalakshmi R Iyer	Independent Non Executive Director (ceased to be Director w.e.f. January 30, 2024)
Mr. Prabhakar Dalal	Independent Non Executive Director
Mr. Sajid Fazalbhoy	Non Executive Director (ceased to be Director w.e.f. June 01, 2024)
Mr. Amar Sudhakar Deshpande	Non Executive Director (ceased to be Director w.e.f. August 30, 2024)
Mr. G Jaganmohan Rao	Independent Non Executive Director (ceased to be Director w.e.f. August 26, 2023)
Mr. Sanjay Kumar	Independent Non Executive Director
Mr. Atul Kumar Gupta	Independent Non Executive Director (ceased to be Director w.e.f. December 09, 2024)
Ms. Kemisha Soni	Independent Non Executive Director (W.e.f. January 30, 2024)
Ms. Sonal Sanjay Modi	Non Executive Director (W.e.f. August 16, 2024)
Mr. Kewal Kundanlal Handa	Independent Non Executive Director (W.e.f. October 01, 2024)
Mr. Rajeev Sardana	Independent Non Executive Director (W.e.f. December 18, 2024)

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46. RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

(ii) Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Transaction value for the year ended March 31, 2025	Outstanding amount as at March 31, 2025	Transaction value for the year ended March 31, 2024	Outstanding amount as at March 31, 2024
A) Holding Company					
Rising Sun Holdings Private Limited	Dividend paid	-	-	191.68	-
B) Fellow Subsidiary					
Poonawalla Finance Private Limited	Purchase of property plant and equipment	-	-	3.76	-
	Leave and license agreement:				
	Rent paid	18.54	-	18.55	-
	Electricity expenses	-	-	0.09	-
	Security deposit paid	-	3.63	-	3.63
	Loan given to employee welfare trust	-	175.00	175.00	175.00
	Interest on loan given to employee welfare trust	15.75	-	0.86	-
C) Member of Promoter group					
1 Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)	Insurance advances given	18.41	2.19	11.73	1.05
	Insurance advances adjusted	17.26	-	12.10	-
	Claims received	-	-	0.01	-
	Insurance commission income	5.92	0.70	1.79	0.21
	Insurance premium paid (net)	6.07	-	5.18	0.27*
	Advance for mediclaim policy	-	0.11	6.33	6.17
	Redemption of public issue of NCD	75.00	-	-	75.00
	Interest accrued but not due on NCD	-	-	7.12	7.12
	Interest Paid on NCD	7.88	-	7.88	-
D) Joint venture					
1 Jaguar Advisory Services Private Limited	Investment in equity shares	-	0.02	-	0.02
E) Key Managerial Personnel					
1 Mr. Adar Cyrus Poonawalla	Sitting fees	0.08	-	0.06	-
2 Mr. Arvind Kapil	Director's remuneration	45.66	-	-	-

Summary of material accounting policies and other explanatory information
for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

Name of related party	Nature of transaction	Transaction value for the year ended March 31, 2025	Outstanding amount as at March 31, 2025	Transaction value for the year ended March 31, 2024	Outstanding amount as at March 31, 2024
E) Key Managerial Personnel (Contd.)					
3 Mr. Abhay Bhutada	Director's remuneration	0.42	-	5.00	-
	Share based payments	-	-	236.21	-
	Share Capital	-	-	1.02	-
	Dividend paid	-	-	1.00	-
4 Mr. Sunil Samdani	Salary	4.93	-	2.48	-
5 Mr. Sanjay Miranka	Salary	2.86	-	4.97	-
	Share based payments	2.16	-	6.06	-
	Share Capital	0.02	-	0.07	-
	Securities Premium	2.49	-	5.90	-
	Dividend paid	-	-	0.07	-
6 Mrs. Shabnum Zaman	Salary	1.10	-	0.75	-
	Share based payments	-	-	0.70	-
	Share Capital	-	-	0.00	-
	Securities Premium	-	-	0.45	-
	Dividend paid	-	-	0.00	-
7 Mr. Bontha Prasada Rao	Sitting fees	0.24	-	0.16	-
	Commission	0.50	0.50	0.50	0.50
8 Mrs. Vijayalakshmi R Iyer	Sitting fees	-	-	0.16	-
9 Mr. Prabhakar Dalal	Sitting fees	0.33	0.01	0.29	-
	Commission	0.50	0.50	0.50	0.50
10 Mr. Sajid Fazalbhoy	Sitting fees	0.02	-	0.09	-
11 Mr. Amar Sudhakar Deshpande	Sitting fees	0.22	-	0.37	-
12 Mr. G Jaganmohan Rao	Sitting fees	-	-	0.15	-
13 Mr. Sanjay Kumar	Sitting fees	0.27	-	0.23	-
	Commission	0.50	0.50	0.50	0.50
14 Mr. Atul Kumar Gupta	Sitting fees	0.26	-	0.21	-
	Commission	-	-	0.50	0.50
15 Ms. Kemisha Soni	Sitting fees	0.24	0.01	0.01	-
	Commission	0.50	0.50	0.08	0.08
16 Ms. Sonal Sanjay Modi	Sitting fees	0.24	0.01	-	-
	Commission	0.31	0.31	-	-
17 Mr. Kewal Kundanlal Handa	Sitting fees	0.08	-	-	-
	Commission	0.25	0.25	-	-
18 Mr. Rajeev Sardana	Sitting fees	0.04	-	-	-
	Commission	0.14	0.14	-	-

Notes :

- Related parties identified includes related parties as per section 2(76) of the Companies Act, 2013.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

46 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (CONTD.)

- The Company has sold its stake in Grihum Housing Finance Limited (Formerly known as Poonawalla Housing Finance Limited) on July 26, 2023 and it ceased to be a related party from July 26, 2023. Accordingly, transaction and outstanding as at July 25, 2023 are reported.
- Sitting fees and KMP's commission values are excluding of GST.
- * Balance represents receivable by Grihum Housing Finance Limited (Formerly known as Poonawalla Housing Finance Limited) as at July 25, 2023.

(iii) Compensation of key managerial personnel

	Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits	54.06	12.77
Post-employment defined benefit*	0.91	0.43
Share-based payments	2.16	242.97
	57.13	256.17

*Excludes provision for encashable leave and gratuity for key management personnel as these are determined for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year, in respect of loan and advances are unsecured and to be settled in cash and / or adjusted against goods or services.

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	24.65	-	24.65	255.18	-	255.18
Bank balances other than cash and cash equivalents	7.62	0.02	7.64	13.32	0.04	13.36
Derivative financial instruments	-	2.82	2.82	-	-	-
Receivables	18.71	-	18.71	28.66	-	28.66
Loans	12,145.30	20,549.66	32,694.96	10,223.60	11,822.81	22,046.41
Investments	1,298.05	43.58	1,341.63	766.37	111.96	878.33
Other financial assets	118.95	63.24	182.19	195.14	62.67	257.81
Total financial assets	13,613.28	20,659.32	34,272.60	11,482.27	11,997.48	23,479.75
Non-financial assets						
Current tax assets (net)	-	141.51	141.51	-	171.70	171.70
Deferred tax assets (net)	-	205.48	205.48	-	163.42	163.42
Investment property	-	0.07	0.07	-	0.07	0.07
Property, plant and equipment	-	55.01	55.01	-	59.78	59.78
Intangible assets under development	-	10.43	10.43	-	0.26	0.26
Other intangible assets	-	16.41	16.41	-	17.00	17.00
Right-to-use assets	45.33	126.98	172.31	25.94	91.41	117.35
Other non-financial assets	38.53	66.89	105.42	7.02	19.85	26.87
Total non-financial assets	83.86	622.78	706.64	32.96	523.49	556.45
Assets held for sale	50.70	-	50.70	50.70	-	50.70
Total assets	13,747.84	21,282.10	35,029.94	11,565.93	12,520.97	24,086.90

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

47 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTD.)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Derivative financial instruments	-	1.66	1.66	-	-	-
Trade payables	4.25	-	4.25	3.37	-	3.37
Debt securities	450.00	1,213.99	1,663.99	522.46	704.63	1,227.09
Borrowings (other than debt securities)	13,390.89	10,588.08	23,978.97	7,446.69	6,169.44	13,616.13
Subordinated liabilities	111.56	126.03	237.59	-	236.91	236.91
Lease Liability	43.92	156.77	200.69	23.94	111.65	135.59
Other financial liabilities	699.86	-	699.86	587.29	9.97	597.26
Total financial liabilities	14,700.48	12,086.53	26,787.01	8,583.75	7,232.60	15,816.35
Non-Financial Liabilities						
Current tax liabilities (Net)	0.24	-	0.24	0.01	-	0.01
Provisions	1.51	11.16	12.67	0.66	7.87	8.53
Other non-financial liabilities	24.71	30.65	55.36	74.69	20.24	94.93
Total non-financial liabilities	26.46	41.81	68.27	75.36	28.11	103.47
Total liabilities	14,726.94	12,128.34	26,855.28	8,659.11	7,260.71	15,919.82

48 CONTINGENT LIABILITIES AND COMMITMENTS

1) Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities

	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt		
i) Income tax matters under dispute	2.65	4.01
ii) VAT and GST matters under dispute	7.31	6.65
iii) Service tax matters under dispute	6.18	8.03
iv) Legal cases against the Company *	2.26	0.90

* The Group is also involved in other law suits, claims, investigations and proceedings, including collection and repossession related matters, which arise in the ordinary course of business. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement / decisions pending with the relevant authorities.

b) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision has been created.

c) The Group has certain litigations pending with income tax authorities, service tax authorities and other litigations which have arisen in the ordinary course of business. The Group has reviewed all such pending litigations having an impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its consolidated financial statements.

d) Commitments

	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	19.45	3.01
Bank Guarantees provided	0.32	0.30
Undrawn loan commitment	516.13	-

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

48 CONTINGENT LIABILITIES AND COMMITMENTS (CONTD.)

e) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

49 DISCONTINUED OPERATIONS

The Company had sold its investment in Grihum Housing Finance Limited ('GHFL') (Formerly known as Poonawalla Housing Finance Limited) on July 26, 2023 (effective date) with the requisite regulatory approvals pursuant to execution of a definitive share purchase agreement with Perseus SG Pte. Ltd., an entity affiliated to TPG Global LLC on December 14, 2022, approval of Board of Directors in their meeting held on December 14, 2022, approval of shareholders on January 22, 2023 and approval of RBI vide its letter dated May 30, 2023.

Upon completion of the aforesaid sale transaction, GHFL ceased to be a subsidiary of the Company from the effective date.

(i) Results of discontinued operations

Particulars	Year ended March 31, 2025	Period ended July 25, 2023
Revenue from operations		
Interest income	-	264.19
Fees and commission income	-	8.15
Net gain on fair value changes	-	1.50
Net gain on derecognition of financial instruments	-	14.24
Total revenue from operations	-	288.08
Other Income	-	2.91
Total Income	-	290.99
Expenses		
Finance costs	-	129.48
Net loss on fair value changes	-	0.05
Impairment on financial instruments	-	10.98
Employee benefits expenses	-	67.45
Depreciation, amortisation and impairment	-	4.79
Other expenses	-	36.17
Total Expenses	-	248.92
Profit before tax from discontinued operations	-	42.07
Income tax on discontinued operations	-	10.52
Profit after tax from discontinued operations	-	31.55
Other comprehensive income from discontinued operations	-	(0.19)
Total comprehensive income from discontinued operations	-	31.36
Earnings per equity share (for discontinued operations)		
Basic EPS (₹)	-	0.41
Diluted EPS (₹)	-	0.40

(ii) Net cash flows attributable to discontinued operations

Particulars	Year ended March 31, 2025	Period ended July 25, 2023
Cash flows (used in) from operating activities	-	(436.55)
Cash flows (used in) from investing activities	-	(21.08)
Cash flows generated from financing activities	-	547.36
Net Cash flows generated	-	89.73

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

49 DISCONTINUED OPERATIONS (CONTD.)

iii) Details of the sale of the subsidiary

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Consideration received	-	3,583.60
Carrying amount of Net Assets deconsolidated as on July 31, 2023	-	(1,226.87)
Expenses towards sale of subsidiary	-	(50.24)
Reversal of consolidation adjustments till date of sale of the subsidiary	-	2.48
Gain on the sale of the subsidiary (before tax)	-	2,308.97
Income tax expense on gain	-	(567.83)
Net gain on the sale of the subsidiary	-	1,741.14

The Company had disposed goodwill on account of sale of subsidiary.

iv) Details of carrying amount of assets and liabilities as on date of sale of subsidiary (July 25, 2023) were as:

Particulars	As at July 25, 2023
Loans	5,681.60
Other financial assets	772.17
Non financial assets	117.83
Total Assets	6,571.60
Borrowings (other than debt securities)	4,209.00
Debt securities	850.00
Subordinated liabilities	100.00
Other financial liabilities	128.21
Non financial liabilities	57.52
Total Liabilities	5,344.73
Net Assets	1,226.87

50 INTEREST IN OTHER ENTITIES

a. Interests in joint ventures

The joint venture listed below has share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The below joint venture is by the virtue of contractual agreement.

Name of the company	Place of business/ country of incorporation	Relationship	Accounting method	Ownership interest held by the group (in %)		Carrying value		Principal activities
				As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	
Jaguar Advisory Services Private Limited (JASPL) *	India	Joint venture	Equity method	48.89	48.89	50.70	50.70	Manpower and Advisory Services

* Refer Note 18

The joint venture company is unlisted and hence no quoted price is available. Accordingly fair values for the same is not disclosed.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

51 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IS GIVEN BELOW :

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at March 31, 2025

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Holding								
Poonawalla Fincorp Limited	99.38	8,123.98	100.00	(98.34)	100.00	(14.08)	100.00	(112.42)
Joint Venture (as per the equity method)								
-Indian								
Jaguar Advisory Services Private Limited (JASPL)	0.62	50.68	-	-	-	-	-	-
Total Eliminations/ Consolidation Adjustments	-	-	-	-	-	-	-	-
	100.00	8,174.66	100.00	(98.34)	100.00	(14.08)	100.00	(112.42)

As at March 31, 2024

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Poonawalla Fincorp Limited	99.38	8,116.40	122.16	2,055.96	129.69	0.83	122.16	2,056.79
Subsidiary								
-Indian								
Grihum Housing Finance Limited (GHFL)	-	-	1.87	31.55	(29.69)	(0.19)	1.86	31.36
Joint Venture (as per the equity method)								
-Indian								
Jaguar Advisory Services Private Limited (JASPL)	0.62	50.68	-	-	-	-	-	-
Total Eliminations/ Consolidation Adjustments	-	-	(24.03)	(404.45)	-	-	(24.02)	(404.45)
	100.00	8,167.08	100.00	1,683.06	100.00	0.64	100.00	1,683.70

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

52 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at March 31, 2025			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	24.65	-	-	24.65
Bank balance other than cash and cash equivalents	7.64	-	-	7.64
Derivative financial instruments	-	-	2.82	2.82
Receivables	18.71	-	-	18.71
Loans	32,694.96	-	-	32,694.96
Investments	654.63	184.04	502.96	1,341.63
Other financial assets	182.19	-	-	182.19
	33,582.78	184.04	505.78	34,272.60
Financial liabilities:				
Derivative financial instruments	-	-	1.66	1.66
Trade payables	4.25	-	-	4.25
Debt securities	1,663.99	-	-	1,663.99
Borrowings (other than debt securities)	23,978.97	-	-	23,978.97
Subordinated liabilities	237.59	-	-	237.59
Lease Liability	200.69	-	-	200.69
Other financial liabilities	699.86	-	-	699.86
	26,785.35	-	1.66	26,787.01

Particulars	As at March 31, 2024			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	255.18	-	-	255.18
Bank balance other than cash and cash equivalents	13.36	-	-	13.36
Receivables	28.66	-	-	28.66
Loans	22,046.41	-	-	22,046.41
Investments	366.57	207.98	303.78	878.33
Other financial assets	257.81	-	-	257.81
	22,967.99	207.98	303.78	23,479.75
Financial liabilities:				
Trade payables	3.37	-	-	3.37
Debt securities	1,227.09	-	-	1,227.09
Borrowings (other than debt securities)	13,616.13	-	-	13,616.13
Subordinated liabilities	236.91	-	-	236.91
Lease Liability	135.59	-	-	135.59
Other financial liabilities	597.26	-	-	597.26
	15,816.35	-	-	15,816.35

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

52 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	505.88	181.11	-	686.99
Derivative Financial Instruments	-	2.82	-	-
Financial liabilities:				
Derivative Financial Instruments	-	1.66	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2025	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	24.65	24.65	24.65	-	-
Bank balance other than cash and cash equivalents	7.64	7.64	7.64	-	-
Receivables	18.71	18.71	-	-	18.71
Loans	32,694.96	32,681.26	-	-	32,681.26
Investments	654.63	654.63	650.98	3.65	-
Other financial assets	182.19	182.19	-	-	182.19
	33,582.78	33,569.08	683.27	3.65	32,882.16
Financial liabilities:					
Payables	4.25	4.25	-	-	4.25
Debt securities	1,663.99	1,678.95	-	1,678.95	-
Borrowings (other than debt securities)	23,978.97	23,978.97	-	23,978.97	-
Subordinated liabilities	237.59	244.03	-	244.03	-
Lease liabilities	200.69	200.69	-	-	200.69
Other financial liabilities	699.86	699.86	-	-	699.86
	26,785.35	26,806.75	-	25,901.95	904.80

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	303.78	207.98	-	511.76

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at March 31, 2024	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	255.18	255.18	255.18	-	-
Bank balances other than cash and cash equivalents	13.36	13.36	13.36	-	-
Trade receivables	28.66	28.66	-	-	28.66
Loans	22,046.41	22,010.85	-	-	22,010.85
Investments	366.57	366.57	350.27	16.30	-
Other financial assets	257.81	257.81	-	-	257.81
	22,967.99	22,932.43	618.81	16.30	22,297.32

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

52 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (CONTD.)

As at March 31, 2024	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial liabilities:					
Payables	3.37	3.37	-	-	3.37
Debt securities	1,227.09	1,231.74	-	1,231.74	-
Borrowings (other than debt securities)	13,616.13	13,616.13	-	13,616.13	-
Subordinated liabilities	236.91	252.97	-	252.97	-
Lease liability	135.59	135.59	-	-	135.59
Other financial liabilities	597.26	597.26	-	-	597.26
	15,816.35	15,837.06	-	15,100.84	736.22

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash in hand, balances with other banks, receivables, trade payables and certain other financial assets and liabilities, with maturities less than a year from the balance sheet date. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

C. Valuation framework

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximise the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Bank develops Level 3 inputs based on the best information available in the circumstances.

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates	Not applicable	Not applicable
Financial assets and liabilities measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e. average lending rate for the disbursed loans, lower the fair value of the assets.
Financial assets measured at FVTPL	NAV based method.	Not applicable	Not applicable
Investment	NAV based method.	Not applicable	Not applicable

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT

In the normal course of doing its business the company is exposed to certain inherent financial risks in the form of credit risk, market risk, operational risk, liquidity risk, interest rate risk, compliance risk, reputational risk, etc.

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event.
- When a borrower becomes more than 90 days past due in its contractual payments.

The Risk Management Committee has established credit policies for various lending products under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

In case of newly launched products, where the Company does not have sufficient historical data to estimate PD, it uses industry level aggregate data obtained from credit bureaus, or third-party data providers or performance of an existing product which closely resembles the new product. In case of wholesale lending products where external credit rating is available, PD rates are derived from such external credit rating grades. In case of products having maturity less than 12 months, a tenure adjustment is undertaken on annualised PD rates to address shorter tenure of the product.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

Expected loss has been calculated as an unbiased and probability-weighted amount for multiple scenarios. The probability of default has been calculated for 3 scenarios: upside (16% probability), downside (16%) and base (68%). These weightages have been decided on best practices and expert judgement.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes more than 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date.
- significant increase in credit risk on other financial instruments of same borrower.

d) Exposure at default (EAD)

The exposure at default (EAD) for ECL computation represents the principal outstanding, installment overdue, accrued interest, future interest post discounting as key components and some other adjustments of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

For newly launched products, where historical collection data is not available or is insufficient, the Company either uses the collection performance of an existing product which closely resembles the new product or industry level aggregate data obtained from credit bureaus/third-party data providers, or regulatory guidance available if any.

In case of certain loan products having an inherent unsecured component (e.g. loans where Loan-to-Value is greater than 100%), the LGD rate is derived through a combination of respective secured and unsecured LGD rates.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Similarly, if external credit rating of a corporate borrower is downgraded to non-investment grade from investment grade, the credit risk is deemed to have increased significantly from the initial recognition.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) **Stage 1: 12- months ECL:** For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.
- (b) **Stage 2: Lifetime ECL, not credit-impaired:** For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) **Stage 3: Lifetime ECL, credit-impaired:** Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized on net basis.

h) Expected Credit Loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and up to 90 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed models and other historical data and where the Company does not have sufficient historical data, it uses regulatory guidance available, if any or benchmark rates obtained from external sources like research agencies, credit bureaus, or publicly available information. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward-looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

In case of any portfolio or a segment thereof showing abnormal delinquency behaviour, the ECL approach is reviewed and adjusted to reflect adequate provisioning in line with the risk profile. The Company also provides for expected credit loss on undrawn loan commitments wherever applicable.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL Models and accordingly, Company has used Consumer Price Index as the relevant ME variable. Overtime, new ME variables may emerge to have a better correlation and may replace ME being used now.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

Policy on write off of loan assets

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit and loss on actual realization from customer.

The following table provides information about the exposure to credit risk and expected credit loss for assets on finance.

Loans measured at amortised cost

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at March 31, 2025				
Current (not past due)	31,806.92	1.07%	340.33	No
Up to 30 days overdue	588.27	16.09%	94.64	No
More than 30 days and upto 60 days overdue	410.57	24.04%	98.72	No
More than 60 days and upto 90 days overdue	212.96	33.68%	71.73	No
More than 90 days overdue	618.65	54.47%	336.99	Yes
	33,637.37	2.80%	942.41	

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at March 31, 2024				
Current (not past due)	21,406.91	3.09%	662.36	No
Upto 30 days overdue	755.05	11.30%	85.30	No
More than 30 days and upto 60 days overdue	453.49	17.84%	80.90	No
More than 60 days and upto 90 days overdue	161.48	23.42%	37.82	No
More than 90 days overdue	268.45	49.39%	132.59	Yes
	23,045.38	4.33%	998.97	

Expected credit loss on trade and other receivables

Trade/other receivables primarily includes receivables against support services, operating lease and sale of power. The company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. It holds the trade/other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost, less loss allowance.

Cash and cash equivalents and bank balance other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 32.29 crores at March 31, 2025 (March 31, 2024: ₹ 268.54 crores). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows :

(i) Movements in the gross carrying amount in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Gross carrying amount on April 1, 2023	14,417.84	867.68	225.10
Transfer to Stage 1	81.64	(78.27)	(3.37)
Transfer to Stage 2	(234.06)	235.86	(1.80)
Transfer to Stage 3	(103.95)	(38.00)	141.95
Loan assets originated or purchased (net of repayments)	17,473.46	227.97	583.44
Loan assets that have been derecognised / repaid (excluding write offs)	(9,031.95)	(425.40)	(97.86)
Write offs	(441.02)	(174.87)	(579.01)
Gross carrying amount on March 31, 2024	22,161.96	614.97	268.45
Transfer to Stage 1	27.47	(21.82)	(5.65)
Transfer to Stage 2	(317.46)	318.45	(0.99)
Transfer to Stage 3	(358.17)	(37.64)	395.81
Loan assets originated or purchased (net of repayments)	23,042.46	209.11	441.14
Loan assets that have been derecognised / repaid (excluding write offs)	(11,265.47)	(228.84)	(58.55)
Write offs	(895.60)	(230.70)	(421.56)
Gross carrying amount on March 31, 2025	32,395.19	623.53	618.65

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

(ii) Movements in the allowance for impairment in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on April 1, 2023	102.26	74.94	103.97
Transfer to Stage 1	7.65	(6.67)	(0.98)
Transfer to Stage 2	(40.34)	40.87	(0.53)
Transfer to Stage 3	(44.67)	(20.74)	65.41
Loan assets originated or purchased	489.20	48.98	78.49
Loan assets that have been derecognised / repaid (excluding write offs)	283.49	9.94	(55.42)
Write offs	(49.93)	(28.60)	(58.35)
Loss allowance on March 31, 2024	747.66	118.72	132.59
Transfer to Stage 1	2.59	(2.30)	(0.29)
Transfer to Stage 2	(73.68)	73.86	(0.19)
Transfer to Stage 3	(187.09)	(16.02)	203.11
Loan assets originated or purchased	208.99	84.33	274.49
Loan assets that have been derecognised / repaid (excluding write offs)	216.01	(12.15)	(30.19)
Write offs	(479.51)	(75.99)	(242.53)
Loss allowance on March 31, 2025	434.97	170.46	336.99

Summary of material accounting policies and other explanatory information

for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

(iii) Movements in ECLs in relation to trade receivable and undrawn loan commitments is as follows :

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on April 1, 2023	0.25	-	-
Add: Provision made during the year	13.02	-	-
Less: Write off/write back of excess ECL during the year	-	-	-
Loss allowance on March 31, 2024	13.27	-	-
Add: Provision made during the year	2.39	0.11	-
Less: Write off/write back of excess ECL during the year	-	-	-
Loss allowance on March 31, 2025	15.66	0.11	-

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Upon renegotiation, such accounts are classified as Stage 2 or Stage 3 depending upon nature and status of account at the time of renegotiation. Such accounts are upgraded only upon observation of satisfactory repayments of one year from the date of renegotiation.

Exposure to modified financial assets not resulting in de-recognition :

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount	24.72	55.76
Loss allowance	5.91	9.40
Net carrying amount	18.81	46.36

(i) Concentration risk

Pursuant to the guidelines of the RBI, credit exposure to an single borrower must not exceed 25% of owned fund and 40% of owned fund of the Company to any single group of borrower. The Company is in compliance with these guidelines.

In addition, the Company views the concentration of risk on the basis of below product category.

Loans (carrying value)	As at March 31, 2025	As at March 31, 2024
Asset backed finance (ABF)	5,306.31	4,474.82
Loan against property (LAP)	8,753.87	4,541.84
Personal and Professional Loan	8,352.04	6,647.37
Small and medium enterprise (SME)	5,972.62	5,206.61
NBFC and Corporate lending	5,252.53	2,174.74
Total	33,637.37	23,045.38

Loans (%)	As at March 31, 2025	As at March 31, 2024
Asset backed finance (ABF)	15.78%	19.42%
Loan against property (LAP)	26.02%	19.71%
Personal and Professional Loan	24.83%	28.84%
Small and medium enterprise (SME)	17.76%	22.59%
NBFC and Corporate lending	15.61%	9.44%
Total	100.00%	100.00%

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

Fair value of collateral relating to credit impaired financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Collateral value of underlying assets	299.94	443.66

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company’s reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper, non-convertible debentures and other debt instruments including term loans & external commercial borrowings. Cash Credit / WCDL limits are renewed on annual basis and are therefore revolving in nature.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at March 31, 2025	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	1.66	1.66	-	1.66	-	-
Payables	4.25	4.25	4.25	-	-	-
Debt securities	1,663.99	1,947.90	537.40	871.06	539.44	-
Borrowings (other than debt securities)	23,978.97	26,522.48	14,528.51	9,248.94	2,745.03	-
Subordinated liabilities	237.59	275.48	133.83	141.65	-	-
Lease liabilities	200.69	245.87	59.53	102.53	56.54	27.27
Other financial liabilities	699.86	699.86	699.86	-	-	-
Total	26,787.01	29,697.50	15,963.38	10,365.84	3,341.01	27.27

As at March 31, 2024	Carrying amount	Gross nominal outflow	Contractual cash flows			
			0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Payables	3.37	3.37	3.37	-	-	-
Debt securities	1,227.09	1,356.05	578.78	771.32	0.98	4.97
Borrowings (other than debt securities)	13,616.13	15,187.53	8,075.03	4,376.58	2,563.19	172.73
Subordinated liabilities	236.91	303.15	22.28	263.25	17.62	-
Lease liabilities	135.59	175.30	35.60	69.03	34.12	36.55
Other financial liabilities	597.26	597.26	587.29	9.97	-	-
Total	15,816.35	17,622.66	9,302.35	5,490.15	2,615.91	214.25

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

iv. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹. In cases where the borrowings is denominated in foreign currency, the Company uses derivatives to manage market risks.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company’s cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing financial assets/ liabilities. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

The Company has USD denominated liability (External commercial borrowings) at floating rate of interest causing volatility in the cash flow arising on principal and interest repayment.

Management aims to hedge the volatility with appropriate derivative instruments. Accordingly, the Company entered has into cross currency swaps with tenor and maturity matching with the underlying cashflow.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed rate instruments		
Financial assets	25,518.73	18,937.91
Financial liabilities	8,579.61	4,672.88
Variable rate instruments		
Financial assets	8,753.87	4,541.84
Financial liabilities	18,207.40	11,143.47

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 bps in interest rate at the reporting date would have increased or decreased profit and loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at March 31, 2025		
Variable rate instruments	(94.54)	94.54
As at March 31, 2024		
Variable rate instruments	(66.02)	66.02

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year-end balances are not necessarily representative of the average debt outstanding during the year. This analysis assumes that all other variables remain constant.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

b) Foreign currency risk -

The Company is exposed to foreign currency fluctuation risk for its External commercial borrowings i.e unfavourable movement in the USD INR conversion rate charged by the bank on USD loan repayment and interest settlement from time to time. The Company has hedged the entire ECB exposure for the full tenure as per Board approved Risk Management Policy. The Company has entered into cross currency swaps with strategy which aims to hedge a defined portion of the exposure to USD-INR exchange rate volatility on borrowings and interest repayable in USD. The Company's risk management policy is to hedge 100% of its foreign currency exposure. The Company uses Cross Currency Swaps to hedge its currency risk and applies a hedge ratio of 1 : 1. The Asset Liability Committee periodically reviews and monitors risk involved in the transactions. These contracts are designated as cash flow hedges. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In these hedge relationships, there are no hedge ineffectiveness because it is hedged to extent of 100% of principal and interest amount of external commercial borrowings.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows :

Particulars	As at March 31, 2025	As at March 31, 2024
	Exposure*	
External commercial borrowings	1,477.40	-
Notional amount of derivative instrument	1,477.40	-

*The amount mentioned are in functional currency INR (₹) however the underlying exposure is in USD (\$)

Hedging framework

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Nature and conditions of outstanding derivative contacts :

Particulars	Notional Amounts	Fair value asset	Fair value liability	Effective portion of Cash flow hedge reserve
Cash flow hedge				
Cross currency swaps				
March 31, 2025	1,477.40	2.82	1.66	(12.68)
March 31, 2024	-	-	-	-

Refer Note 47 for maturity analysis of derivative financial instruments.

Legal and operational risk

Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements. The Company has developed preventive controls and formalised procedures to identify legal risks so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

53 FINANCIAL RISK MANAGEMENT (CONTD.)

As at March 31, 2025, there were legal cases pending against the Company aggregating ₹ 2.26 crores (March 31, 2024: ₹ 0.90 crores). Based on the opinion of the Company's legal advisors, the management believes that no substantial liability is likely to arise from these cases.

Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP).
2. Third party risk management through Outsourcing Risk Policy and SOP.
3. Well defined Governance Structure.
4. Use of Identification & Monitoring tools and like Risk Control Self- Assessment (RCSA), Key Risk Indicators (KRIs), Risk Appetite Statements (RAS) and Control testing.
5. Standardised reporting templates, reporting structure and frequency.
6. Regular workshops and training for enhancing awareness and risk culture.

The Company has adopted the globally accepted 3-lines of defense approach to risk management.

First line – Each function / vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is “bottom-up”, ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line – Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line – Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

During the year ended March 31, 2025, the Operational Risk (OR) team has helped to identify, assess, monitor and mitigate risks across the organization. RCSA exercises, Internal Finance Control ('IFC') testing and KRI monitoring have been conducted for key business units / support functions, and action plans have been developed to plug process gaps. Apart from this quarterly RAS monitoring and Outsourcing Risk management was also undertaken during the Financial year. The OR team helps senior management monitor risks through quarterly reporting of OR information to the Operational Risk Management Committee (ORMC) and the RMC.

54 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at April 1, 2024	Loan Taken	Loan Paid	Non Cash Changes*	As at March 31, 2025
Debt securities	1,227.09	959.92	(522.68)	(0.34)	1,663.99
Borrowings (other than debt securities)	13,616.13	19,129.67	(8,781.20)	14.37	23,978.97
Subordinated liabilities	236.91	-	-	0.68	237.59
Lease liabilities	135.59	-	(44.42)	109.52	200.69
Total Liabilities from financing activities	15,215.72	20,089.59	(9,348.30)	124.23	26,081.24

Particulars	As at April 1, 2023	Loan Taken	Loan Paid	Non Cash Changes*	As at March 31, 2024
Debt securities	950.24	500.00	(225.00)	1.85	1,227.09
Borrowings (other than debt securities)	9,804.07	10,564.26	(6,752.90)	0.70	13,616.13
Subordinated liabilities	365.27	-	(129.12)	0.76	236.91
Lease liabilities	89.58	-	(33.43)	79.44	135.59
Total Liabilities from financing activities	11,209.16	11,064.26	(7,140.45)	82.75	15,215.72

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

55. REVENUE FROM CONTRACTS WITH CUSTOMERS (DISCLOSURE AS REQUIRED BY IND AS 115)

(a) Below table provides disaggregation of the Company's revenue from contracts with customers:

	Year ended March 31, 2025	Year ended March 31, 2024
Revenue by type of service		
Fees and commission income	192.26	73.22
Other income	7.05	22.30
Total	199.31	95.52
Revenue by geographical markets		
India	199.31	95.52
Outside India (Country wise, if significant)	-	-
Total	199.31	95.52
Revenue by timing of recognition of revenue		
Performance obligation satisfied at a point in time	199.31	95.52
Performance obligation satisfied over period of time	-	-
Total	199.31	95.52
	Year ended March 31, 2025	Year ended March 31, 2024
(b) Trade Receivables	18.39	22.39
	18.39	22.39

56. ADDITIONAL INFORMATION

- a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b) The quarterly information statement filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- c) The Group has not been declared as Wilful defaulter by any banks, financial institution or other lenders.
- d) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Group.
- f) The Group have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except loans or advances given in normal course of business.
- g) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except loans or advances given in normal course of business.
- h) The Group does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Summary of material accounting policies and other explanatory information for the year ended March 31, 2025 (Contd.)

(All amounts are in ₹ Crores unless otherwise stated)

56 ADDITIONAL INFORMATION (CONTD.)

- i) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j) The Group used accounting software to maintain its books of account for the year ended March 31, 2025, with audit trail (edit log) features enabled at both application and database levels, in line with the requirements of MCA notification. However, for one of the accounting software, the audit trail logs at the database level were preserved effective June 26, 2024 onwards.

k) Relationship with Struck off Companies :

Disclosure of transactions with the companies struck off -

Name of Struck off company	Nature of transactions with struckoff Companies	Balance outstanding as at March 31, 2025 (₹ in crores)	Relationship with the Struck off companies
SRM Resources Private Limited	Loan receivables	0.12	External
Impression Plus Concept Solution	Loan receivables	0.19	External
J P Visa Services Private Limited	Loan receivables	0.37	External
Krishna Kripa Trade Link Private Limited	Loan receivables	0.14	External

- l) The Group has not entered into any scheme of arrangements which has an accounting impact on current/ previous financial year.
- m) The Group has not carried out any revaluation of property, plant and equipment during the year ended March 31, 2025 and March 31, 2024.

57 OPERATING SEGMENTS

The Executive Committee (Excom) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the CODM. The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2025 or March 31, 2024.

As per our report of even date

For and on behalf of the Board of Directors of

Poonawalla Fincorp Limited

For MSKA and Associates Chartered Accountants Firm Registration No:105047W	For Kirtane & Pandit LLP Chartered Accountants Firm Registration No:105215W/ W100057	Sunil Samdani Executive Director (DIN : 10301175)	Arvind Kapil Managing Director & CEO (DIN : 10429289)
Vikram Dhanania Partner Membership No: 060568 Place : Mumbai Date : April 25, 2025	Sandeep D. Welling Partner Membership No: 044576 Place : Mumbai Date : April 25, 2025	Shabnum Zaman Company Secretary Membership No: 13918 Place : Mumbai Date : April 25, 2025	Sanjay Miranka Chief Financial Officer Place : Mumbai Date : April 25, 2025

Corporate Information

CIN: L51504PN1978PLC209007

BOARD OF DIRECTORS

- Mr. Adar Cyrus Poonawalla**
Chairman, Non-Executive Director
- Mr, Arvind Kapil**
Managing Director and Chief Executive Officer
- Mr. Sunil Samdani**
Executive Director
- Ms. Sonal Modi**
Non-Executive Director (w.e.f. August 16, 2024)
- Mr. Bontha Prasada Rao**
Independent Director
- Mr. Prabhakar Dalal**
Independent Director
- Mr. Sanjay Kumar**
Independent Director
- Ms. Kemisha Soni**
Independent Director
- Mr. Kewal Kundanlal Handa**
Independent Director (w.e.f. October 10, 2024)
- Mr. Rajeev Sardana**
Independent Director (w.e.f. December 18, 2024)

CHIEF FINANCIAL OFFICER

Mr. Sanjay Miranka

COMPANY SECRETARY

Ms. Shabnum Zaman

BANKERS/FIS

- » Axis Bank Limited
- » Bank of Maharashtra
- » Bank of Baroda
- » Bank of India
- » Bandhan Bank Limited
- » DBS Bank of India Ltd
- » Federal Bank Limited
- » HDFC Bank Limited
- » Indian Bank
- » ICICI Bank Limited
- » IDBI Bank Limited
- » Indian Overseas Bank
- » IDFC FIRST Bank Limited
- » National Bank for Agriculture and Rural Development (NABARD)
- » Punjab National Bank
- » State Bank of India
- » Small Industries Development Bank of India (SIDBI)
- » South Indian Bank
- » Union Bank of India
- » UCO Bank

JOINT STATUTORY AUDITORS

Kirtane & Pandit LLP
Chartered Accountants
601, 6th Floor , Earth Vintage Senapati Bapat Marg ,
Dadar West, Mumbai – 400028.

MSKA & Associates

Chartered Accountants
Floor 4, Duckback House,
41, Shakespeare Sarani,
Kolkata 700017.

SECRETARIAL AUDITOR

SIUT & Co. LLP
Practicing Company Secretaries
MSR Capital, Office no. 15, 2nd Floor,
Morwadi Court Road, Pimpri, Pune – 411018.

CORPORATE OFFICE

Unit No 2401, 24th Floor, Altimus,
Dr G.M. Bhosale Marg,
Worli, Mumbai - 400018 Maharashtra.
Tel: 022 47733220
Website: www.poonawallafincorp.com

REGISTERED OFFICE

201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune – 411 036 Maharashtra.
Tel: (020) 67808090
E-mail :secretarial@poonawallafincorp.com
Website: www.poonawallafincorp.com

REGISTRAR AND SHARE TRANSFER AGENT

MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel.: (022) 49186000
E-mail: rnt.helpdesk@in.mpms.mufg.com
Website : www.in.mpms.mufg.com

K Fin Technologies Limited
(Retail Non-Convertible Debentures)

Selenium Tower - B,
Plot No. 31-32, Financial District Nanakramguda,
Serilingampally,
Hyderabad, Rangareddi,
Telangana - 500032, India.
Tel: (040) 6716 2222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

List of Policies:

Sr. No.	Name of the Policy	Description of/Link to the Policy
1.	Policy for determining Material Subsidiary	https://poonawallafincorp.com/documents/20121/0/Policy-on-Material-Subsidiary.pdf/230d628a-e593-4fba-2b68-6da2a40db774
2.	Dividend Distribution Policy	https://poonawallafincorp.com/documents/20121/0/Dividend-Distribution-Policy.pdf/f441908d-d562-4e0b-9900-2cac67b11686
3.	Breach of Integrity and Whistle Blower Vigil Mechanism Policy	https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc
4.	Business Ethics Policy	https://poonawallafincorp.com/documents/20121/0/PFL-Code-of-Business-Ethics.pdf/1284f145-ff1d-5a6f-7608-cb4bccaf2f50
5.	Policy for Prevention of Sexual Harassment	https://poonawallafincorp.com/documents/20121/0/POSH-Policy.pdf/0aec60de-7381-d8eb-be20-c5544cb2d1c6
6.	Corporate Social Responsibility Policy	https://poonawallafincorp.com/documents/20121/0/PFL_CSR+Policy_Version+No.+6.0.pdf/26949d61-3047-4792-4600-33e5a62ec4ac
7.	Policy on Fit and Proper Criteria for Directors	The Policy shall be applicable to all the directors of the Company. The Policy provides general guidance to the Directors perform the activities regulated under the applicable law efficiently, honestly, fairly and act in the best interests of the Company
8.	Remuneration Policy	https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056
9.	Policy on Related Party Transaction	https://poonawallafincorp.com/documents/20121/0/Policy+on+Related+Party+Transaction.pdf/dcabc2aa-14da-673a-b8af-bcb22ccfd97
10.	Policy for Appointment of Statutory Auditors	https://poonawallafincorp.com/documents/20114/0/Policy-on-appointment-of-Statutory-Auditors.pdf/2108da70-736f-745d-f56e-979998eae7f9
11.	ESG Policy	This policy outlines the Company's commitment to good corporate governance, fair treatment of stakeholders, and responsibility towards the environment. Through this policy, PFL commits to embed ESG with its vision, mission and values to foster a positive impact in the society.
12.	Integrated Risk Management Policy	The policy includes a Risk Governance Structure for PFL, which will enable it to assess, manage and mitigate risks arising out of its business. It is the umbrella policy which governs the various sub-components of the Risk Governance Framework.
13.	Credit Risk Management Policy	This policy is framed to address various aspects of Credit Risk and its Management.
14.	Operational Risk Management Policy	This policy is established for identification, assessment, measurement, monitoring and control/mitigation of Operational Risk at an ongoing basis.
15.	Grievance Redressal Policy	This policy aims at minimizing instances of customer complaints and grievances through effective service delivery and grievance redressal mechanism.
16.	Cyber Security Policy	This policy institutes the Cyber Security Framework based on industry best practices and regulatory guidelines and to identify, protect, detect, respond to, recover from, test, learn and be aware of Cybersecurity incidents.
17.	Policy on Process for Disposal of E-Waste Items	This Policy is established to ensure a systematic and planned disposal of assets which are identified as e-waste.
18.	Equal Opportunity Policy	This Policy is framed to assure that there shall be no discrimination or harassment against any employee or applicant on the grounds of race, color, religion, sex, age, marital status, disability, national origin, political opinion, sexual orientation and HIV status, or any other factor made unlawful by applicable laws and regulations

Glossary

Sr. No.	Name of the Policy	Description of/Link to the Policy
19.	Business Continuity Management Policy	This Policy is established to ensure emergency response, resumption, recovery and restoration of Company's processes and business activities during a disaster.
20.	Corporate Governance Policy	https://poonawallafincorp.com/documents/20121/0/PFL_Corporate+Governance+Policy_Version_6.0_Website+Version.pdf/281c23fb-9f26-e3c9-747a-7e34ce9b94e7
21.	Code of Fair Disclosure	https://poonawallafincorp.com/documents/20121/0/Code+of+Fair+Disclosure+%281%29.pdf/4daf4093-aaf9-6e2a-6557-7c22cc318f76
22.	Code of Conduct to Regulate , Monitor and Report and Trading by Designated Persons	This Code is framed for Prevention of Insider Trading by the Designated Persons and their immediate relatives, in relation to the securities of the Company and to regulate, monitor and report trading by the Designated Persons and their immediate relatives of the Company in the securities of the Company.
23.	Code for Independent Directors	https://poonawallafincorp.com/documents/20121/0/PFL-Code-for-Independent-Directors.pdf/532e85bb-fac8-a77a-36ed-065de305659c
24.	Investors Grievance Policy	https://poonawallafincorp.com/documents/20121/0/PFL_Investor+Grievance_Version+No.+6.0_Website+Version.pdf/7268bd5c-cdf4-227c-e001-2a282b68aa5a

Term	Description	Term	Description
ACH	Automated Clearing House	FDI	Foreign Direct Investment
ADR	American Depositary Receipt	FICCI	The Federation of Indian Chambers of Commerce and Industry
AGM	Annual General Meeting	FIDC	Finance Industry Development Council
AI	Artificial Intelligence	FRMU	Fraud Risk Management Unit
ALCO	Asset Liability Management Committee	FY	Financial Year
ALM	Asset Liability Manangement	GDP	Gross Domestic Product
AML	Anti Money Laundering	GDR	Global Depository Receipt
API	Application Programming Interface	GHG	Green House Gases
ASSOCHAM	Associated Chambers of Commerce & Industry of India	HAP	Hazardous Air Pollutants
AUM	Asset Under Management	HFC	Hydrofluorocarbons
BCMS	Business Continuity Management System	HR	Human Resources
BFSI	Banking Financial Services and Insurance	IaaS	Infrastructure-as-a-Service
BIS	Bureau of Indian Standards	IC	Internal Committee
BMI	Body Mass Index	ICAAP	Internal Capital Adequacy Assessment Process
BRSR	Business Responsibility and Sustainability Report	ICAI	Institute of Chartered Accountants of India
BSE	Bombay Stock Exchange	ICSI	Institute of Company Secretaries of India
CA	Chartered Accountant	IEPF	Investor Education and Protection Fund
CAFRAL	Centre for Advanced Financial Research and Learning	IFC	Internal Finance Control
CBO	Chief Business Officer	IIT	Indian Institute of Technology
CDSL	Central Depository Services (India) Limited	IMF	International Monetary Fund
CEO	Chief Executive Officer	Ind-AS	Indian Accounting Standards
CFO	Chief Financial Officer	INFOSEC	Information Security
CIA	Chief Internal Auditor	INR	Indian Rupee
CII	Confederation of Indian Industry	IS	Information System
CIN	Corporate Identity Number	ISIN	International Securities Identification Number
CRAR	Capital Risk Adequacy Ratio	ISO	International Organization for Standardization
CRO	Chief Risk Officer	IST	Indian Standard Time
CS	Company Secretary	IT	Information Technology
CSR	Corporate Social Responsibility	ITGRCA	Information Technology Governance, Risk, Controls and Assurance Practices
DC	Designated Consumers	IVR	Interactive Voice Response
DIN	Directors Identification Number	JASPL	Jaguar Advisory Services Private Limited
DMA	Direct Marketing Agent	JD	Job Description
DP	Depository Participant	KMP	Key Managerial Personnel
DRA	Debt Recovery Agent	KRI	Key Risk Indicators
DSA	Direct selling Agent	KYC	Know Your Customer
ECB	External Commercial Borrowings	LAN	Loan Account Number
EIA	Environmental Impact Assessment	LC	Large Corporates
EOGM	Extra Ordinary General Meetings	LCA	Life Cycle Perspective / Assessments
EPR	Extended Producer Responsibility	LED	Light-Emitting Diode
EPS	Earning Per Share	Listing Centre	BSE Listing Centre
ERM	Emergency Response Team	LLP	Limited Liability Partnership
ERT	Emergency Response Time	LTIFR	Lost Time Injury Frequency Rate
ESG	Environment, Social and Governance	MCA	Minsitry of Corporate Affairs
ESOP	Employee Stock Option Plan		
ESOS	Employee Stock Option Scheme		
FAQ	Frequently Asked Questions		

Term	Description
MIS	Management Information System
MSME	Micro , Small and Medium Enterprises
NBFC	Non-Banking Financial Company
NBFC-M	NBFC-Middle Layer
NBFC-U	NBFC-Upper Layer
NCD	Non-Convertible Debentures
NEAPS	NSE Electronic Application Processing System
NEFT	National Electronic Funds Transfer
NGRBC	National Guidelines on Responsible Business Conduct
NIM	Net Interest Margin
NOC/NDC	No-Object Certificate/No-Due Certificate
NPA	Non-performing Asset
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
OAVM	Other Audio Visual Means
ODR	Online Dispute Resolution
OR	Operational Risk
ORMC	Operational Risk Management Committee
PA	Public Announcement
PaaS	Platform-as-a-Service
PAN	Permanent Account Number
PAT	Profit After Tax
PFC	Perfluorinated Compound
PFL	Poonawalla Fincorp Limited
PIN	Personal Identification Number
PM	Particulate matter
POP	Persistent organic pollutants
POSH	Prevention of Sexual Harassment
PPP	Purchasing Power Parity
PR	Public Relations
QR code	Quick Response Code
R&R	Rehabilitation and Resettlement
RBI	Reserve Bank of India
RCA	Root Cause Analysis
RCSA	Risk and Control Self-Assessment
RO	Regional Office
RSO	Restricted stock options
RTA	Registrars and Share Transfer Agents
RTGS	Real-Time Gross Settlement
SaaS	Software-as-a-Service
SCA/SA	Statutory Central Auditors / Statutory Auditors
SCN	Showcause Notice
SCORES	SEBI Complaints Redress System
SEBI	Securities Exchange Board of India
SIAM	Society of Indian Automobile Manufacturers

Term	Description
SMA	Special Mention Accounts
SMP	Senior Management Personnel
SMS	Short Message Service
SPV	Special Purpose Vehicle
SS	Secretarial Standards
SSM	Senior Supervisory Manager
Stock Exchanges	BSE and NSE
STPL	Small Ticket Personal Loan
TAT	Turnaround Time
TBD	To be Decided
URL	Uniform Resource Locator
VC	Video Conferencing
VOC	Volatile Organic Compounds
WDM	Wholesale Debt Market
WDR	Wholesale Debt Market
XBRL	eXtensible Business Reporting Language
ABF	Asset Backed Finance
BL	Business Loan
CAGR	Compound Annual Growth Rate
CC	Cash Credit
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprise
CODM	Chief Operating Decision Maker
CRM	Customer Relationship Management
DPD	Days Past Due
EAD	Exposure at Default
ECL	Expected Credit Loss
ECLGS	Emergency Credit Line Guarantee Scheme
EMI	Equated Monthly Installment
FVTOCI	Fair value Through Other Comprehensive Income
FVTPL	Fair value Through Profit and Loss
GHFL	Grihum Housing Finance Limited
HQLA	High Quality Liquid Assets
ICL	Inter-Corporate Loan
LAP	Loan against Property
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LTP	Loan to Professionals
Magma HDI / MHDl	Magma HDI General Insurance Company Limited
MCLR	Marginal Cost of Funds Based Lending Rate
MRR	Minimum Retention Requirement
NACH	National Automated Clearing House
NBFC-ML	NBFC-Middle Layer
NBFC-ND-SI-ICC	Systemically Important Non-Deposit Taking NBFC-Investment and Credit Company
OCI	Other comprehensive income

Term	Description
PCR	Provisioning Coverage Ratio
PD	Probability of Default
PFL EWT	PFL Employee Welfare Trust
PL	Personal Loan
PLI	Production Linked Incentive
POC	Pre-owned Car
PPE	Property, Plant and Equipment
PTC	Pass Through Certificates
PUC	Projected Unit Credit
PV	Passenger Vehicle
ROA	Return on Average Assets
RoC	Registrar of Companies, Maharashtra
ROE	Return on Average Equity
RRB	Regional Rural Banks
RSHPL	Rising Sun Holdings Private Limited
RSOP	Restricted Stock Option Plan
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SAs	Standards on Auditing
SCB	Scheduled Commercial Bank
SCF	Supply Chain Finance
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SICR	Significant Increase in Credit Risk
SIDBI	Small Industries Development Bank of India
SME	Small and Medium Enterprise
Sub-debt	Subordinated Debt
Tier I Capital	As defined under RBI regulations for NBFCs
Tier II Capital	As defined under RBI regulations for NBFCs
WCDL	Working Capital Demand Loan
NCGTC	National Credit Guarantee Trustee Company Ltd

Term	Description
EIS	Excess Interest Spread
MSMED	Micro, Small and Medium Enterprises Development Act, 2006
IALM	Indian Assured Lives Mortality Table
CPI	Consumer Price Index
ME	Macroeconomic
AFC	Asset Finance Company
SPE	Special Purpose Entity
IRACP	Income Recognition, Asset Classification and Provisioning pertaining to Advances
MBS	Mortgage Backed Securities
SBL	Single Borrower Limit
GBL	Group Borrower Limit
EIR	Effective Interest Rate
SOP	Standards Operating Procedures
RAS	Risk Appetite Statements
CCA	Central Core Application
CARO	Companies (Auditor's Report)Order
WBCGST	West Bengal Central Goods and Service Tax
CIC	Core investment Company
NII	Net Interest Income
Opex	Total Operating Expenses
PPOP	Pre-Provision Operating Profit
QoQ	Quarter-on-Quarter
YoY	Year-on-Year
GVW	Gross Vehicle Weight
CV	Commercial Vehicle
IRM	Integrated Risk Management
RMC	Risk Management Committee
COE	Committee of Executives
COHR	Committee of Human Resources



POONAWALLA FINCORP LIMITED

Registered Office: 201 and 202, 2nd Floor, AP81,
Koregaon Park Annex, Mundhwa, Pune - 411 036, Maharashtra.

Corporate Office: Unit No 2401, 24th Floor, Altimus,
Dr G.M. Bhosale Marg, Worli, Mumbai-400018, Maharashtra
Phone: 020 6780 8090 CIN: L51504PN1978PLC209007
Website: www.poonawallafincorp.com Email: secretarial@poonawallafincorp.com

NOTICE OF ANNUAL GENERAL MEETING

Remote e-VOTING STARTS ON	Remote e-VOTING ENDS ON
Friday, July 25, 2025 at 09:00 a.m. (IST)	Monday, July 28, 2025 at 05:00 p.m. (IST)

Notice is hereby given that the **45th Annual General Meeting ('AGM/Meeting')** of the Members of Poonawalla Fincorp Limited (hereinafter referred to as '**Company**'/ '**the Company**') will be held on Tuesday, July 29, 2025 at 03:00 p.m. Indian Standard Time ('**IST**') through Video Conferencing ('**VC**')/ Other Audio - Visual Means ('**OAVM**') to transact the following businesses :

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2025 together with the Reports of the Board of Directors' and Auditors' thereon:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors' and Auditors' thereon, be and are hereby received, considered and adopted."

- 2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 together with the Report of Auditors' thereon:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 and the report of the Auditors' thereon, be and are hereby received, considered and adopted."

- 3. To re-appoint Mr. Sunil Samdani (DIN: 10301175), who retires by rotation as a Director and, being eligible, has offered himself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, other applicable provisions of law and regulations, including any amendments, modifications, variations or re-enactments to any of the aforesaid from time to time and as any of the aforesaid may be amended, modified, varied or re-enacted from time to time, Mr. Sunil Samdani (DIN: 10301175), who retires by rotation at this meeting and upon being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

- 4. To approve appointment of Secretarial Auditor of the Company.**

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

"RESOLVED THAT pursuant to the provision of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules,2014 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and Regulation 24A of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 read with SEBI Circular number SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024 other applicable provisions of law and regulations, including any amendments, modifications, variations or re-enactments to any of the aforesaid from time to time and as any of the aforesaid may be amended, modified, varied or re-enacted from time to time and upon recommendations of the Audit Committee and the Board of Directors of the Company, SIUT & Co LLP, peer reviewed Company Secretaries in Practice

Registered Office:

201 and 202, 2ND Floor, AP81,
Koregaon Park Annex,
Mundhwa, Pune – 411036,
Maharashtra.
Place: Mumbai
Date: April 25, 2025

(Firm Registration No.: L2021MH011500) be and are hereby appointed as the Secretarial Auditor of the Company for a period of five (5) consecutive years i.e., from Financial Year 2025-2026 till and including Financial Year 2029-2030 at such fees mentioned in the Explanatory Statement (in addition to taxes and out of pocket expenses), and as may be revised/determined by the Board of Directors of the Company (including its Committee thereof) in consultation with the Secretarial Auditor from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above said resolution and matters, incidental, consequential and connected therewith."

**By order of the Board of Directors
For Poonawalla Fincorp Limited**

**Sd/-
Shabnum Zaman
Company Secretary
ACS No.: 13918**

NOTES FOR MEMBERS' ATTENTION:

Virtual Meeting:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular No. 09/2024 dated September 19, 2024 in continuation to the circulars issued earlier in this regard ("MCA Circulars") allowed, inter-alia, conduct of AGM through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2025 and relevant circulars issued by the Securities and Exchange Board of India ("SEBI") in this regard has provided certain relaxations from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In compliance with these Circulars, provisions of the Companies Act, 2013 ("Act") and the SEBI Listing Regulations, Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India ("SS-2") and any other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the 45th AGM of the Company is being conducted through VC/ OAVM facility.
2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ("Management Rules"), SS-2 and Regulation 44 of SEBI Listing Regulations read with MCA Circulars, as amended, the Company through National Securities Depository Limited ("NSDL") will be providing facilities in respect of:
 - (a) voting through remote e-voting;
 - (b) participation in the AGM through VC/ OAVM facility;
 - (c) e-voting during the AGM.

The procedure for participating in the meeting through VC/OAVM is explained at Note No. 23.
3. The deemed venue for the 45th AGM shall be the registered office of the Company situated at 201 and 202, 02nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411 036, Maharashtra, India.
4. In terms of the MCA Circulars, physical attendance of Members has been dispensed with and, therefore, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the

Act will not be available for the 45th AGM, Hence, the Proxy Form and Attendance Slip including route map are not annexed to this Notice.

5. In pursuance of Section 112 and Section 113 of the Act, Government/Institutional/Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc. may appoint representative for the purpose of voting through remote e- voting by Board Resolution/ Power of Attorney/ Authority Letter, etc., for participation in the 45th AGM through VC/ OAVM facility and e- voting during the 45th AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to girishbhatia1956@gmail.com with a copy marked to evoting@nsdl.com.
6. Attendance of the Members participating in the 45th AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum requirement under Section 103 of the Act.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
8. In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Depositories/Registrar and Share Transfer Agent ("RTA").
10. Members may note that the AGM Notice and the Annual Report 2024-25 will also be available on

the Company's website www.poonawallafincorp.com at weblink i.e. <https://poonawallafincorp.com/investor-financials.php> and websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depositories Limited (NSDL) i.e. agency for providing remote e-voting facility i.e. www.evoting.nsdl.com.

11. Physical copy of the Annual Report 2024-25 (including the Notice of the 45th AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Annual Report for the FY 2024-25, may write to the Company at secretarial@poonawallafincorp.com requesting for the same by providing their holding details.
12. Those Members who are holding shares in physical form and have not updated their e-mail ids with the Company, are requested to update the same by submitting a duly filled and signed Form ISR-1 along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the RTA at rnt.helpdesk@in.mpms.mufg.com
13. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail ids with their relevant Depositories.

Procedure for remote e-voting and e-voting during the AGM:

14. Pursuant to the provisions of section 108 of the Act read with Management Rules and Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-voting facility provided by listed entities and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM.
15. The remote e-voting period begins on **Friday, July 25, 2025 at 09:00 a.m. (IST) and ends Monday, July 28, 2025 at 05:00 p.m. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners maintained by the depositories, as on

the cut-off date i.e., Tuesday, July 22, 2025 may cast their vote electronically.

16. The voting right of member shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the cut-off date, Tuesday, July 22, 2025. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
17. The facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>.
18. The Board of Directors has appointed Mr. Girish Bhatia, Practicing Company Secretary (FCS: 3295 / CP No. 13792), as the Scrutinizer for scrutinizing the process of remote e-Voting and e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer, shall post conclusion of the meeting, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting system and shall make a consolidated Scrutinizer's report and submit their report to the company secretary, within 2 working days from the conclusion of the meeting who shall countersign the same.
19. The Results of remote e-Voting and voting at the Meeting shall be declared by the Chairman or by any other Director or Company Secretary duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website www.poonawallafincorp.com and also be displayed on the Notice Board of the Company at its Registered Office and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the results are declared and simultaneously communicated to the Stock Exchanges in compliance with Regulation 44(3) of the SEBI Listing Regulations. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, July 29,

2025, subject to receipt of the requisite number of votes in favour of the Resolutions.

20. Dispute Resolution:

SEBI has established a common Online Dispute Resolution Portal (“ODR Portal - <https://smartodr.in/login>”) to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal. Link to access ODR portal is available on Company’s website <https://poonawallafincorp.com/investor-info> [SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023]

21. Important notice for investors holding non convertible securities of the Company:

SEBI has released a procedural framework for dealing with unclaimed interest, dividend and redemption amounts lying with entities having listed non convertible securities and manner of claiming such amounts by investors. The Company has formulated a framework specifying the process to be followed by the investors for

claiming their unclaimed amounts which is available on the website of the Company at www.poonawallafincorp.com

22. NSDL e-Voting Instructions:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id,PAN No.,Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 134319 then user ID is 134319001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to girishbhatia1956@gmail.com with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. July 22, 2025, may obtain the login ID and password by sending a request at evoting@nsdl.com or Issuer/RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call at 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., July 22, 2025 may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system" (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager – NSDL at evoting@nsdl.com

10. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to evoting@nsdl.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to evoting@nsdl.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e., Login method for e-Voting for Individual Shareholders holding securities in demat mode.**
3. Alternatively, shareholder/ Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Procedure for e-voting during the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ Shareholders, who will attend in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

Procedure to join the AGM on NSDL e-voting system:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system.** After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops/Machine for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ ask questions as a speaker at the AGM may preregister themselves by sending a request from their registered email ID mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to secretarial@poonawallafincorp.com.

[com](#) between Monday, July 14, 2025 (09:00 a.m. IST) and Wednesday, July 23 2025 (05:00 p.m. IST). Only those Members who have pre-registered themselves as Speakers will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager – NSDL at evoting@nsdl.com or call at 022 - 4886 7000.

23. Shareholder Awareness:

- a. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its RTA or the concerned Depository Participant, as the case may be:-
 - i. the change in the residential status on return to India for permanent settlement, and
 - ii. the particulars of the NRE account with a Bank in India, if not furnished earlier.
- b. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical form can submit their PAN, KYC details and Nomination in the prescribed forms to the RTA.

In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.

- c. The Company has entered into necessary arrangements with NSDL and Central Depository Services (India) Limited (“CDSL”) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant of either of the above Depositories.

Members are requested to contact the Company’s RTA for reply to their queries/ redressal of complaints, if any by raising an email query at the following

email id: rnt.helpdesk@in.mpms.mufig.com or contact at secretarial@poonawallafincorp.com

d. Dematerialization of shares:

SEBI has mandated the Listed Companies to process service requests# for issue of securities in dematerialized form only, subject to folio being KYC compliant. Accordingly, Members are requested to submit duly filled and signed Form ISR-4. The Form is available on website of Company at <https://www.poonawallafincorp.com/investor-info> and RTA at <https://in.mpms.mufig.com/>. [SEBI Master Circular No. SEBI/ HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024]

#Request for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

- d. Process for dematerialisation of shares is available at the website of the Company at weblink i.e. <https://www.poonawallafincorp.com/investor-info>
- e. Members holding shares in dematerialised form are requested to update with their respective Depository Participants, their bank account details (account number, 9 digit MICR and 11 digit IFSC), E-mail address and mobile number. Members holding shares in physical form may communicate details to the Company/RTA before the record date, by quoting the folio no. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN card.
- f. Members are requested to contact the Company’s RTA for reply to their queries/ redressal of complaints, if any by raising an email query at the following link: https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html or contact at secretarial@poonawallafincorp.com
- g. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, July 23, 2025 to Tuesday, July 29, 2025 (both days inclusive) for the purpose of AGM.

- h. Brief profile and other information about the Director proposed to be re-appointed as required under Regulation 36(3) and additional information on appointment of Secretarial Auditor as required under Regulation 36(5) of SEBI Listing Regulations and Secretarial Standard on General Meetings (‘SS-2’) issued by the Institute of Company Secretaries of India are forming part of the Explanatory Statement of this Notice.

24. Shareholders unpaid/unclaimed dividend/ shares related matters:

- a. In terms of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), as amended from time to time, dividends

- c. The details of the dates on which dividend should be transferred to the aforesaid Authority is given below:-

Financial Year	Date of Declaration	Due for transfer
2017-18	August 02, 2018	September 07, 2025
2018-19	August 01, 2019	September 06, 2026
2019-20	The Company did not declare any dividend for F.Y. 2019-20.	
2020-21	The Company did not declare any dividend for F.Y. 2020-21.	
2021-22	July 29, 2022	September 03, 2029
2022-23	July 25, 2023	August 30, 2030
2023-24 (Interim Dividend)	January 18, 2024	February 23, 2031

The Company has uploaded the information in respect of the unpaid / unclaimed dividend amounts lying with the Company, as on the date of the last meeting held on July, 23 2024 on the IEPF website www.iepf.gov.in and under “Investors Section” on the website of the Company viz., www.poonawallafincorp.com.

- d. Accordingly, all unpaid / unclaimed amounts in respect of dividends paid by the Company for the year ended March 31, 2018 must be transferred to the IEPF Authority. Shareholders are requested to encash the dividend before the due date of transfer i.e. September 07, 2025.
- e. The Members of the Company can encash the unpaid Dividend Warrants for the year ended March 31, 2018 or any subsequent year, before transfer to the IEPF Authority by writing a request to the Company Secretary, Poonawalla Fincorp Limited, “201 and 202, 02nd Floor, AP81, Koregaon Park Annex,

which remain unpaid/unclaimed over a period of 7 years will have to be transferred by the Company to Investor Education and Protection Fund authority (‘IEPF Authority’) of the Central Government.

- b. The Members are requested to note that pursuant to the provisions of Section 124(6) of the Act and the IEPF Rules, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF Authority. In this regard the Company has sent individual notices to the concerned shareholders for whom the dividend remains unclaimed and unpaid with the Company from FY 2017-18 onwards and also published notice in this regard in accordance with the IEPF Rules.

The Company has uploaded the information in respect of the unpaid / unclaimed dividend amounts lying with the Company, as on the date of the last meeting held on July, 23 2024 on the IEPF website www.iepf.gov.in and under “Investors Section” on the website of the Company viz., www.poonawallafincorp.com.

Mundhwa, Pune – 411036, Maharashtra or at secretarial@poonawallafincorp.com. No claim will be entertained thereafter by the Company.

- f. The Members are being informed that the Company has transferred 23,365 equity shares to the IEPF Authority in accordance with the applicable provisions. The Company has also transferred an amount of ₹609,579/- to IEPF being the unclaimed dividend for FY 2016-17.
- g. Once the unpaid/ unclaimed dividend or the shares are transferred to IEPF Authority, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the Registered Office of the Company for verification of the claim.

- h. The IEPF Rules and the application form (Form IEPF – 5), as prescribed by the MCA for claiming back of the shares/dividend, are available on the website of the Company www.poonawallafincorp.com at its weblink i.e. <https://www.poonawallafincorp.com/investor-info> as well as website of IEPF at www.iepf.gov.in.

25. Procedure for inspection of documents and Members queries

- a. Members seeking to inspect such documents can send an email to Company's investor email id mentioning their name, Folio No./ DP ID and Client ID and the documents that they seek to inspect, with a self-attested copy of their PAN card attached to the email id at secretarial@poonawallafincorp.com.
- b. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write

to the Company on or before Thursday, July 24, 2025 through email at secretarial@poonawallafincorp.com with their name, folio No./DP ID and Client ID. The same will be replied by the Company suitably.

- c. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act read with rules issued thereunder will be electronically available for inspection by the Members during the Meeting. Furthermore, all documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e., July 29, 2025 and shall be available for inspection upon login at NSDL e-Voting system at www.evoting.nsdl.com.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 4

Pursuant to the provision of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013, and Regulation 24A of The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with circulars issued thereunder to the extent applicable, other applicable regulations framed by the Securities and Exchange Board of India in this regard, the Secretarial auditor needs to be appointed for a period of 5 (Five) consecutive years.

The Board of Directors, at its meeting held on April 25, 2025, considering the experience and expertise and based on the recommendation of the Audit Committee, has proposed to the Members of the Company, appointment of SIUT & Co LLP, peer reviewed Practising Company Secretaries (Firm Registration No: L2021MH011500), as the Secretarial Auditors of the Company for a period of 5(five) consecutive years from FY 2025-2026 till and including FY 2029-2030 to undertake secretarial audit and issue the necessary secretarial audit report for the aforesaid period.

SIUT & Co LLP, Company Secretaries was the Secretarial Auditor of the Company for a period of two years from the financial year 2023-24 till the end of financial year 2024-25.

SIUT & Co LLP, Company Secretaries (SIUT) is a peer reviewed Practicing CS firm registered with the Institute of Company Secretaries of India (ICSI), providing services in diverse domains with partners having more than 3 (three) decades of experience in the field of Company Law and allied matters, Securities Laws, Foreign Exchange Management Laws, MSME, Insolvency and Bankruptcy law, Secretarial Audit, Due Diligence etc. Over the years,

SIUT & Co LLP has built a diverse client base and its clientele spans across corporates in the public sector, listed and multinational companies, leading corporates, MSMEs and firms.

SIUT & Co LLP meets the eligibility criteria as enumerated under Regulation 24A (1A) of the SEBI Listing Regulations. SIUT & Co LLP have given their consent to act as the Secretarial Auditor of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under the Act, SEBI Listing Regulations and guidelines issued by the Institute of Company Secretaries of India. The services to be rendered by SIUT & Co LLP as Secretarial Auditor is within the purview of the said regulation read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The proposed fees to be paid to SIUT & Co LLP for FY 2025-2026 shall be ₹3,00,000 (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred and for subsequent year(s) of their term with an annual increment of ten percent and as may be mutually agreed between the Board of Directors and the Secretarial Auditor. The proposed fee is based on knowledge, expertise, industry experience, time and efforts required to be put in by the Secretarial Auditor.

In addition to the secretarial audit, SIUT & Co LLP shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditor.

None of the Directors, or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in this resolution.

Accordingly, your Board recommends passing of the resolution as set out under Item No.4 of the accompanying notice for approval of the members as an Ordinary Resolution.

ITEM No. 3

As an additional information, the Explanatory Statement contains material facts pertaining to ordinary business mentioned in Item No. 3 of the said Notice.

Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (“SS-2”) on General Meetings for re-appointment of the Director is given hereunder:

Name of Director	Mr. Sunil Samdani
DIN	10301175
Designation/Category of Directorship	Executive Director
Date of Birth (Age)	September 16, 1975 (49 years)
Date of first appointment on the Board	October 20,2023
Qualification	Chartered Accountant Executive Development Program from Indian School of Business (ISB), Hyderabad.
Brief Profile and Expertise in specific functional areas	Mr. Sunil Samdani is the Executive Director of the Company. He is a seasoned financial professional and a strategic thought leader with over two decades of rich experience in the BFSI sector. He has played a key role in building, transforming and growing businesses through high-impact financial and risk management strategy. In his last assignment, Mr. Sunil was the Executive President and Chief Financial Officer of Bandhan Bank. He was a part of the core team that helped set up Bandhan Bank, led the Bank's IPO, spearheaded the acquisition of GRUH Finance and executed the largest secondary equity sale in the banking space. Prior to his eight and half year stint at Bandhan, Mr. Samdani was Chief Financial Officer at Karvy Financial Services Limited, where he set up the treasury and finance functions for the NBFC and has also worked in senior roles in various financial institutions including banks and NBFCs. He is a member of the Institute of Chartered Accountant of India (ICAI) and holds Executive Development Program from Indian School of Business (ISB), Hyderabad.
Terms and conditions of appointment/re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.
Details of remuneration last drawn	Remuneration for FY 2024-25 is ₹4.93 Crores.
Details of remuneration sought to be paid	Remuneration as decided by the Board of Directors will be paid to Mr. Sunil Samdani in the capacity of Executive Director as approved by the Members of the Company. For details please refer to the Report on Corporate Governance.
*List of outside Directorships held in listed entities	Nil
Name of Listed entities from which the Director has resigned in the past three years	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies in which he/is a Director (Board level committees)	1. Risk Management Committee 2. Assets Liability Management Committee 3. IT Strategy Committee 4. Stakeholders Relationship Committee 5. Corporate Social Responsibility Committee 6. Customer Service Committee 7. Review Committee 8. Managment Committee
Shareholding in the Company	
No. of shares held	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil
No. of Meetings of the Board attended during the financial year 2024-25 and till the date of the Notice	10/10 (during the financial year 2024-25) 1/1 (from April 01, 2025 till the date of Notice)
Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	None

*Includes Directorships in Listed entities (including debt listed).

The Board of Directors recommends the resolution set out in Item No. 3 of the AGM Notice to the Members for their consideration and approval, by way of an Ordinary Resolution.

Save and except Mr. Sunil Samdani and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 3 of the AGM Notice.

Registered Office:
201 and 202, 2ND Floor, AP81,
Koregaon Park Annex,
Mundhwa, Pune – 411036,
Maharashtra.
Place: Mumbai
Date: April 25, 2025

**By order of the Board of Directors
For Poonawalla Fincorp Limited**

**Sd/-
Shabnum Zaman
Company Secretary
ACS No.: 13918**

P

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