June 24, 2025

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| **Listing Department,**<br>**BSE Limited,**<br>**Phiroze Jeejeebhoy Towers,**<br>**Dalal Street,**<br>**Mumbai 400 001.**<br>**BSE Scrip Code: 532636** | **Listing Department,**<br>**The National Stock Exchange of India Ltd.,**<br>**Exchange Plaza, 5th Floor, Plot C/1, G Block,**<br>**Bandra - Kurla Complex, Bandra (E),**<br>**Mumbai 400 051.**<br>**NSE Symbol: IIFL** |

**Sub: Notice of the 30th Annual General Meeting and Annual Report for FY 2024-25**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34 read with other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing herewith the following:

a) Notice of the 30th Annual General Meeting ("AGM") of the Company scheduled to be held on Friday, July 18, 2025, at 11:30 a.m. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM");

b) Annual Report (including Business Responsibility and Sustainability Report) for FY 2024-25.

Further, the Notice of the AGM along with Annual Report of the Company for the Financial Year 2024-25 is being sent through electronic mode to all the shareholders of the Company whose email address are registered with the Company, Registrar & Share Transfer Agent ("RTA"), or Depositories and the physical copies of the same will be provided to the Shareholders on request.

Pursuant to Regulation 36(1)(b) of Listing Regulations, a letter providing a Weblink and Quick Response ("QR") code from where the Notice of the AGM and Annual Report for the FY 2024-25 can be accessed is being sent to those Shareholders who have not registered their email address with the Company, RTA, or Depositories.

The Notice of the AGM and Annual Report for FY 2024-25 is also hosted on the Company's website at www.iifl.com, website of Stock Exchanges i.e. www.bseindia.com and www.nseindia.com and also on the website of MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) at https://instavote.linkintime.co.in.

Kindly take the same on record and oblige.

Thanking You,

For **IIFL Finance Limited**

Samrat Sanyal
Digitally signed by Samrat Sanyal
Date: 2025.06.24 20:47:25 +05'30'

**Samrat Sanyal**
**Company Secretary & Compliance Officer**
**ACS- 13863**
**Email Id: csteam@iifl.com**
**Place: Mumbai**

*Encl: As above*

**CC:**
India International Exchange (IFSC) Limited
The Signature, Building No. 13B, GIFT SEZ,
GIFT City, Gandhinagar, Gujarat - 382355

**IIFL Finance Limited**

**CIN: L67100MH1995PLC093797**

**Regd. Office** – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23,
Thane Industrial Area, Wagle Estate, Thane – 400 604

**Tel:** (91-22) 4103 5000; **Fax:** (91-22) 2580 6654

**E-mail:** shareholders@iifl.com, **Website:** www.iifl.com

# NOTICE

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting (Meeting) of the Shareholders of IIFL Finance Limited (the Company) will be held on **Friday, July 18, 2025** at 11:30 a.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following businesses:

## ORDINARY BUSINESS:

**1. Adoption of financial statements**

To consider and adopt:

a. The Audited Standalone Financial Statement(s) of the Company for the Financial Year ended March 31, 2025, together with the reports of the Board of Directors and Auditors' thereon; and

b. The Audited Consolidated Financial Statement(s) of the Company for the Financial Year ended March 31, 2025, together with Auditors' report thereon.

**2. Re-appointment of Mr. T S Ramakrishnan (DIN: 09515616), who retires by rotation and being eligible, offers himself for re-appointment**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** Mr. T S Ramakrishnan (DIN: 09515616), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

**3. Retirement of Mr. Arun Kumar Purwar (DIN: 00026383), who is liable to retire by rotation**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** Mr. Arun Kumar Purwar (DIN: 00026383), who is liable to retire by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, do not wish to be considered for re-appointment as Director of the Company, in view of his personal commitments and pre- occupation, be and is hereby noted;

**RESOLVED FURTHER THAT** the resulting vacancy in the Board of Directors of the Company, be not filled."

## SPECIAL BUSINESS:

**4. Approval of remuneration paid to Mr. Nirmal Jain (DIN: 00010535), Managing Director of the Company, for the Financial Year 2024–25, in terms of Section 197 read with Schedule V of the Companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Schedule V to the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Articles of Association of the Company, and the Company's Nomination and Remuneration Policy, and subject to such approvals, consents and compliances as may be necessary under applicable laws (including any statutory modification(s) or re-enactment(s) thereof), approval of the shareholders be and is hereby accorded for the payment of remuneration amounting to ₹12.26 crore (Rupees Twelve Crore Twenty-Six Lakh only) to Mr. Nirmal Jain (DIN: 00010535), Managing Director of the Company, for the financial year April 1, 2024 to March 31, 2025, which is in excess of the limits prescribed under Section 197(1) of the Act, due to inadequacy of profits for the said year;

**RESOLVED FURTHER THAT** such payment is in accordance with the terms approved by the shareholders

# NOTICE

at the Annual General Meeting held on July 8, 2022 and is considered appropriate in view of Mr. Jain's continued leadership and contribution during a challenging financial period;

**RESOLVED FURTHER THAT** the shareholders hereby ratify and approve the waiver of any requirement to recover the portion of remuneration paid to Mr. Jain during FY 2024–25 which exceeds the limits set out under Section 197(1) read with Schedule V of the Act thereto;

**RESOLVED FURTHER THAT** the Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, as may be necessary or expedient to give effect to this resolution."

5. **Approval of re-appointment of Mr. R Venkataraman (DIN: 00011919) as Joint Managing Director of the Company, for a period of 5 years**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, and all other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof, subject to due compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Articles of Association and Nomination and Remuneration Policy of the Company and subject to such other approvals as may be necessary, based on the recommendation of the Nomination and Remuneration Committee and Board of Directors ("Board") of the Company and subject to such other approvals and compliances as per the applicable Statutes, as may be necessary, approval of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr. R Venkataraman (DIN: 00011919) as Joint Managing Director of the Company for a further period of five (5) years, commencing from April 23, 2025, on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting, with authority to the Board (which term shall include any Committee of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit, subject to the provisions of the Act;

**RESOLVED FURTHER THAT** the remuneration payable to Mr. R Venkataraman, Joint Managing Director, if any, shall not exceed the maximum remuneration provided under Section 197 of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, as may be necessary or expedient to give effect to this resolution."

6. **Approval of appointment of Mr. Bibhu Prasad Kanungo (DIN: 07820090) as a Non-Executive Independent Director of the Company**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and 25(2A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and/or any other applicable laws (including statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company, Mr. Bibhu Prasad Kanungo (DIN: 07820090), who was appointed as an Additional Non-Executive Independent Director of the Company with effect from June 16, 2025, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and being eligible for appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160 of the Act proposing his candidature for the office of the Director, be and is hereby appointed as a Non-Executive Independent Director of the Company, for a term of five (5) consecutive years commencing from June 16, 2025 to June 15, 2030 (both days inclusive), and that he shall not be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Directors and/or Key Managerial Personnel of the Company be and are hereby

severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, as may be necessary or expedient to give effect to this resolution."

**7. Approval of the appointment of M/s. Nilesh Shah & Associates as the Secretarial Auditor of the Company**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013, and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") including any statutory modification(s) or re-enactment(s) thereof for the time being in force, based on the recommendation of the Audit Committee and approval of the Board of Directors of the Company, the consent of the Shareholders of the Company be and is hereby accorded for the appointment of M/s. Nilesh Shah & Associates (Peer Review No. 6454/2025), Practicing Company Secretaries, Mumbai, as the Secretarial Auditor of the Company, for a term of five (5) consecutive years, from FY 2025-26 till FY 2029-30, on such terms and conditions, including remuneration, as may be 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 Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, as may be necessary or expedient to give effect to this resolution."

**8. Approval of the issuance of Non-Convertible Securities on a private placement basis**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force, and subject to the relevant provisions of the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Master Direction – Reserve Bank of India (Non- Banking Financial Company – Scale Based Regulation) Directions, 2023, and other applicable regulations, as may be amended from time to time, to the extent applicable, approval of the Shareholders be and is hereby accorded to the Board of Directors of the Company (the "Board", which shall be deemed to include any Committee that the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), to offer or invite subscriptions for Non-Convertible Securities ("NCSs") including but not limited to Secured/Unsecured/Listed/ Unlisted/Rated/Unrated/Non-Convertible/Market Linked/Subordinate Debt/ Perpetual Securities/Fixed Maturity Securities/ Sustainability or Securitized Social Bonds, in one or more series/tranches, up to ₹ 10,000 Crore (Rupees Ten Thousand Crore Only), on a private placement basis, to such eligible persons and on such terms and conditions as the Board may, from time to time, determine and consider proper and beneficial to the Company, including, without limitation, the decision to issue securities, consideration for the issue, mode of payment, coupon rate, redemption period, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

**RESOLVED FURTHER THAT** the Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things, and to execute all such documents, as may be necessary or expedient to give effect to this resolution."

**9. Approve existing as well as new material related party transactions with IIFL Home Finance Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be

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and is hereby accorded to the Board of Directors (the "Board", which shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis, in arrangements/ transactions/contracts with IIFL Home Finance Limited, a subsidiary of the Company and a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions/contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹3,092 Crore (Rupees Three Thousand Ninety-Two Crore Only) for the period as set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/ modification(s)/ ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/ transaction(s)/ contract(s) or any future arrangement(s)/ transaction(s)/ contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/ contract(s), filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may, in its sole and absolute discretion, deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**10. Approve existing as well as all new material related party transactions with IIFL Samasta Finance Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be and is hereby accorded to the Board of Directors (the "Board" which term shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis in arrangement(s)/transaction(s)/contract(s) with IIFL Samasta Finance Limited, a subsidiary of the Company and a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions/ contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹5,181 Crore (Rupees Five Thousand One Hundred Eighty-One Crore Only) for the period as set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/ modification(s)/ ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/transaction(s)/contract(s) or any future arrangement(s)/transaction(s)/contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/contract(s), filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**11. Approve existing and all new material related party transactions with IIFL Facilities Services Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary**

**Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be and is hereby accorded to the Board of Directors (the "Board" which term shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis, in arrangements/transactions/contracts with IIFL Facilities Services Limited, a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions/contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹1,459 Crore (Rupees One Thousand Four Hundred Fifty-Nine Crore Only) for the period as set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/ modification(s)/ ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/transaction(s)/contract(s) or any future arrangement(s)/transaction(s)/contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/contract(s), filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**12. Approve existing as well as all new material related party transactions with IIFL Management Services Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be and is hereby accorded to the Board of Directors (the "Board" which term shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis, in arrangements/transactions/ contracts with IIFL Management Services Limited, a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions/ contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹1,452 Crore (Rupees One Thousand Four Hundred Fifty-Two Crore Only) for the period as set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/modification(s)/ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/transaction(s)/contract(s) or any future arrangement(s)/transaction(s)/ contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/contract(s), filing of necessary forms/

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documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**13. Approve existing as well as all new material related party transactions with IIFL Capital Services Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be and is hereby accorded to the Board of Directors (the "Board" which term shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis, in arrangements/transactions/contracts with IIFL Capital Services Limited (Formerly known as IIFL Securities Limited), a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions/contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹ 3,497 Crore (Rupees Three Thousand Four Hundred Ninety-Seven Crore Only) for the period as set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/modification(s)/ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/transaction(s)/contract(s) or any future arrangement(s)/transaction(s)/ contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/contract(s), filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**14. Approve existing as well as all new material related party transactions with 5paisa Capital Limited**

To consider and if sought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23 and all other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and all applicable provisions of the Companies Act, 2013 (the "Act") and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, Company's Policy on Related Party Transactions, and basis the approval and recommendation of the Audit Committee and Board of Directors, approval of the Shareholders be and is hereby accorded to the Board of Directors (the "Board" which term shall be deemed to include a Committee of the Board) to enter into, in the ordinary course of business and on arm's length basis, in arrangements/transactions/contracts with 5paisa Capital Limited, a Related Party, as defined in the Listing Regulations and the Act, whether by renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions/contracts or otherwise, with respect to transactions, as detailed in the explanatory statement, including transactions as may be disclosed in the notes forming part of the financial statements, for the relevant period, on an ongoing basis, whether individually and/or in the aggregate shall not exceed ₹1,046 Crore (Rupees One Thousand Forty-Six Crore Only) for the period as

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set out in the explanatory statement forming part of this Notice for this item;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including any negotiation(s)/ renegotiation(s)/modification(s)/ratification(s)/ amendment(s) to or termination(s) thereof, of the subsisting arrangement(s)/transaction(s)/contract(s) or any future arrangement(s)/transaction(s)/ contract(s) and to make or receive/pay monies or to perform all other obligations in terms of such arrangement(s)/ transaction(s)/contract(s), filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, agreements, letters, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto;

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution be and is hereby approved, ratified and confirmed in all respect."

**By Order of the Board of Directors**

For **IIFL Finance Limited**

**Samrat Sanyal**
Company Secretary
ACS - 13863

**Registered Office:** IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane - 400604
CIN: L67100MH1995PLC093797
E-mail: shareholders@iifl.com
Telephone No.: (91-22) 4103 5000

Date: June 19, 2025

Place: Mumbai

# NOTICE

**Notes**

1. The General Circular Nos. 14/2020 dated April 08, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020 and various subsequent Circulars latest being No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") permitted the holding of the Meeting through Video Conferencing/Other Audio Visual Means (VC/OAVM), without the physical presence of the Shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the MCA Circulars, the Annual General Meeting ("AGM") of the Company is being held through VC/OAVM. The venue of AGM shall be deemed to be the Registered Office of the Company.

2. A statement pursuant to Section 102(1) of the Act (Explanatory Statement), setting out the material facts in respect of Item Nos. 4 to 14 (being special businesses) proposed to be transacted at the Meeting, is annexed hereto. Further, additional information relating to Item Nos. 2, 5 and 6 is provided in Annexure A, and additional details pertaining to Item Nos. 9 to 14 are provided in Annexure C.

3. A Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on its behalf and the proxy need not be a Shareholder of the Company. However, pursuant to circulars issued by MCA, the Meeting will be held through VC/OAVM and the physical attendance of Shareholders in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

4. Pursuant to the provisions of Section 113 of the Act, Corporate Shareholders are entitled to appoint authorized representatives to attend and vote on their behalf at the Meeting, including for remote e-voting and voting during the AGM conducted through VC/OAVM.

   Corporate Shareholders intending to attend the Meeting through their authorized representatives are requested to send a Certified True Copy of the Board Resolution and, if applicable, a Power of Attorney, authorizing such representative to attend and vote at the Meeting. The said documents should be submitted in PDF or JPEG format from their registered email address to shareholders@iifl.com.

   Institutional Investors, who are Shareholders of the Company, are encouraged to attend and vote at the Meeting.

5. In compliance with the aforesaid MCA Circulars and Circulars issued by Securities and Exchange Board of India dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023, October 07, 2023 and October 3, 2024, ("SEBI Circulars"), Notice of the Meeting along with the Annual Report for FY 2024-25 is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company/ Depositories as on Friday, June 13, 2025. Further, a letter providing a weblink and QR code for accessing the Notice of the AGM and Annual Report for the FY 2024-25 will be sent to those shareholders who have not registered their email address. Shareholders may note that the Notice of AGM and Annual Report for FY 2024-25 will also be available on the website of the Company i.e. www.iifl.com, and the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice of AGM and Annual Report is also available on the website of MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) ("MUFG Intime"), Registrar and Share Transfer Agent ("RTA") at https://instavote.linkintime.co.in. The Shareholder who wishes to obtain hard copy of the Notice of the Meeting along with Annual Report for FY 2024-25 can send a request to the Company at shareholders@iifl.com mentioning their DP ID and Client ID/Folio No. or raise a service request with MUFG Intime, Company's RTA at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.

6. The businesses set out in this Notice shall be transacted through electronic voting, and the Company is pleased to provide its Shareholders with the facility of voting by electronic means. The instructions and other information relating to remote e-voting and e-voting at the Meeting are provided in Note No. 21 of this Notice.

7. Shareholders attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

8. Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode upto the date of the Meeting i.e. July 18, 2025. Shareholders can inspect the same by sending an email to the Company at shareholders@iifl.com.

# NOTICE

9. The process for registration of email ID for receiving the Annual Report and User ID/Password for e-voting, as well as for updating bank account mandates, is annexed to this Notice.

10. The Company has designated an exclusive email ID i.e. shareholders@iifl.com, for redressal of Shareholders' complaints and grievances. Shareholders having any queries or concerns may write to us at shareholders@iifl.com.

11. Shareholders seeking any information/desirous of asking any questions at the Meeting with regard to the accounts or any matter to be placed at the Meeting are requested to send email mentioning their names, DP ID and Client ID/Folio No. and Mobile No. to the Company at shareholders@iifl.com, at least 7 days before the Meeting. The same will be replied by the Company suitably.

12. Share transfer documents and all correspondence relating thereto, should be addressed to MUFG Intime, at C101, 247 Park, 1st Floor, L.B.S. Marg, Vikhroli West, Mumbai - 400083 or at their designated email id i.e. rnt.helpdesk@in.mpms.mufg.com.

13. Pursuant to the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("IEPF Rules"), any dividend on equity shares and any interest or principal amount on Non-Convertible Debentures (NCDs) that remains unclaimed for a period of seven years from the date of transfer to the Company's Unpaid Dividend/Interest Account, as applicable, is required to be transferred to the Investor Education and Protection Fund (IEPF). Furthermore, the shares in respect of which the dividend has remained unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority, in accordance with the IEPF Rules.

    Accordingly, the Company has transferred ₹ 10,73,225 (Ten Lakhs Seventy-Three Thousand Two Hundred Twenty-Five Only) on Friday April 4, 2025, being the unclaimed dividend amount, pertaining to interim dividend declared for the FY 2017-18 to the IEPF. The Company has transferred 8,652 shares to the IEPF. Further, during FY 2024-25, the Company transferred the unclaimed interest and principal on NCDs amounting to ₹ 13,90,821.68 to IEPF.

    In view of the above, Shareholders are requested to claim any unclaimed dividend, interest, or shares from the Company within the prescribed timeline. Shareholders whose unclaimed dividend, interest, or shares have been transferred to the Investor Education and Protection Fund ("IEPF") may claim the same by submitting an online application in e-Form IEPF-5, which is available on the official IEPF website at www.iepf.gov.in.

14. To prevent fraudulent transactions, Shareholders are advised to exercise due diligence by notifying the Company promptly of any change in their address or the demise of any Shareholder. Shareholders are also encouraged not to leave their demat account(s) dormant for extended periods. It is advisable to periodically obtain statements of holdings from the concerned Depository Participant ("DP") and verify the accuracy of the holdings.

15. SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated that Listed Companies to issue securities in demat form only while processing service requests such as the issue of duplicate securities certificates, claims from unclaimed suspense accounts, renewal/exchange of securities certificates, endorsement, sub-division/splitting of securities certificates, consolidation of securities certificates/folios, transmission, and transposition. Furthermore, SEBI, through Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022, simplified the procedure and standardized the format of documents for the transmission of securities. Accordingly, Shareholders are requested to submit service requests by duly filling and signing Form ISR-4 or ISR-5 (for transmission). The format of these forms is available on the Company's website at https://storage.googleapis.com/iifl-finance-storage/files/2022-02/ISR-4.pdf and on the website of MUFG Intime.

    Shareholders holding equity shares of the Company in physical form are requested to get their equity shares converted into demat/electronic form to avail the inherent benefits of dematerialization. Please note that, as per SEBI regulations, physical transfer of equity shares and issuance of equity shares in physical form have been disallowed.

    Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact MUFG Intime to seek guidance in the demat procedure. Shareholders may also visit website of depositories viz. National Securities Depository Limited at https://nsdl.co.in/faqs/faq.php or Central Depository Services

# NOTICE

(India) Limited at https://www.cdslindia.com/Investors/faqs.html for further understanding the demat procedure.

16. SEBI, vide its circulars SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, prescribed common and simplified norms for furnishing PAN, KYC details and Nomination by holders of physical securities. Pursuant to the aforesaid SEBI Circular, the Company has sent individual communications to all the Shareholders holding shares of the Company in physical form. In case of physical shareholders who have not updated their KYC details may please submit Form ISR-1, Form ISR-2, Form ISR-3 and Form SH13. The said forms can be downloaded from the Company's website at www.iifl.com.

17. Pursuant to SEBI Circulars no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, and SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated November 3, 2021, and December 14, 2021, SEBI has mandated the furnishing of PAN, KYC details (including postal address with pin code, email address, mobile number, bank account details, and specimen signature), and nomination details by holders of securities. Relevant details and forms prescribed by SEBI are available on the website of MUFG Intime. In light of the above, Shareholders holding shares in physical form are requested to submit the required forms, along with the supporting documents, on or before July 18, 2025. Shareholders holding shares in dematerialized form and wishing to update their PAN, KYC, bank details, and nomination are requested to contact their respective Depository Participants (DPs).

18. Pursuant to Section 72 of the Act, Shareholders are entitled to make a nomination in respect of shares held by them. Shareholders desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 are requested to send their requests in Form SH-13 to MUFG Intime. Further, Shareholders desirous of cancelling/varying nomination are requested to send their requests in Form ISR-3 or Form SH-14 as the case may be to MUFG Intime. These forms will be made available on request, the format of which is available on the website of the Company at https://www.iifl.com/finance/investor-information.

19. Information of Director seeking appointment and re-appointment at the Meeting, as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, is annexed to the Notice as Annexure A.

20. Procedure for joining the AGM through VC/ OAVM can be accessed from the following link: https://storage.googleapis.com/iifl-finance-beta-storage/files/investor/financials/InstaMeet_VC_Instructions_V1.5.pdf.

21. Information and other instructions relating to e-voting are as under:

    I. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is pleased to provide its Shareholders the facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means.

    II. The remote e-voting facility will be available during the following period:

        Commencement of e-voting: From 9:00 a.m. (IST) on Monday, July 14, 2025

        End of e-voting: Up to 5:00 p.m. (IST) on Thursday, July 17, 2025

        The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.

    III. The Company has engaged the services of MUFG Intime to provide remote e-voting facility to the Shareholders.

    IV. A person, whose name is recorded in the Register of Shareholders or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e. Friday, July 11, 2025 only shall be entitled to avail the facility of e-voting.

    V. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Shareholder /Beneficial Owner (in case of electronic shareholding) as on the cut-off date i.e. Friday, July 11, 2025. A person who is not a Shareholder as on the cut-off date should treat this Notice for information purposes only.

    VI. Shareholders who are holding shares in physical form or non-individual Shareholders who acquire

shares of the Company and become a Shareholder of the Company after the Notice has been sent electronically by the Company, and hold shares as on the cut-off date i.e. Friday, July 11, 2025 may obtain the User ID and Password by sending a request at rnt.helpdesk@in.mpms.mufg.com.

Note: To raise an email query following is the link: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html. However, if they are already registered with MUFG Intime for remote e-voting, then they can use their existing User ID and Password for casting the vote.

VII. In case of individual Shareholder holding securities in demat mode and who acquires shares of the Company after the Notice has been sent electronically by the Company and holds shares as on the cut-off date i.e. Friday, July 11, 2025 may follow steps mentioned in the Notice of the Meeting under "Information and other instructions relating to remote e-voting."

VIII. Shareholders will be provided with the facility for voting through an electronic voting system during the VC/OAVM proceedings at the Meeting and Shareholders participating at the Meeting, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the Meeting. Shareholders who have cast their vote by remote e-voting prior to the Meeting will also be eligible to participate at the Meeting but shall not be entitled to cast their vote again on such resolutions for which the Shareholder has already cast the vote through remote e-Voting.

IX. Once the vote on a Resolution is cast by the Shareholder, the Shareholder will not be allowed to change it subsequently or cast the vote again.

i. In case of joint holders, the Shareholder whose name appears as the first holder in the order of names as per the Register of Shareholders of the Company will be entitled to vote at the Meeting.

ii. The Board of Directors of the Company has appointed CS Nilesh Shah or failing him CS Mahesh Darji or failing him CS Hetal Shah, Practicing Company Secretaries of M/s. Nilesh Shah and Associates, Mumbai as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

iii. The Scrutinizer, after scrutinizing the votes, within two working days from the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company i.e. www.iifl.com. The results shall simultaneously be communicated to the Stock Exchanges.

iv. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Friday, July 18, 2025.

**I. Information and other instructions relating to remote e-voting are as under:**

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, 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 correctly in their demat accounts to access e-Voting facility.

# NOTICE

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of Members | Login Method |
|---|---|
| **Individual Shareholders holding securities in demat mode with NSDL** | METHOD 1<br>**Shareholders who have registered for NSDL IDeAS facility:**<br>a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".<br>b) Enter User ID and Password. Click on "Login"<br>c) 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.<br>d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.<br>**OR**<br>**Shareholders who have not registered for NSDL IDeAS facility:**<br>a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>b) Proceed with updating the required fields.<br>c) Post successful registration, user will be provided with Login ID and password.<br>d) After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.<br>e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.<br>METHOD 2<br>**Individual Shareholders directly visiting the e-voting website of NSDL**<br>a) Visit URL: https://www.evoting.nsdl.com<br>b) Click on the "Login" tab available under 'Shareholder/Member' section.<br>c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.<br>e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. |

# NOTICE

| Type of Members | Login Method |
|---|---|
| **Individual Shareholders holding securities in demat mode with CDSL** | METHOD 1<br>**Shareholders who have registered/opted for CDSL Easi/Easiest facility:**<br>a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.<br>b) Click on New System Myeasi Tab<br>c) Login with existing my easi username and password<br>d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.<br>e) Click on "Link InTime/MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.<br>**OR**<br>**Shareholders who have not registered for CDSL Easi/ Easiest facility:**<br>a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration<br>b) Proceed with updating the required fields.<br>c) Post registration, user will be provided username and password.<br>d) After successful login, user able to see e-voting menu.<br>e) Click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.<br>METHOD 2<br>**Individual Shareholders directly visiting the e-voting website of CDSL**<br>a) Visit URL: https://www.cdslindia.com<br>b) Go to e-voting tab.<br>c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".<br>d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account.<br>e) After successful authentication, click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. |
| **Individual Shareholders holding securities in demat mode with Depository Participant** | Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.<br>a) Login to DP website<br>b) After Successful login, user shall navigate through "e-voting" option.<br>c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.<br>d) After successful authentication, click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period. |

# NOTICE

| Type of Members | Login Method |
|---|---|
| **Login method for shareholders holding securities in physical mode /**<br>**Non-Individual Shareholders holding securities in demat mode** | Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:<br>**a) Visit URL: https://instavote.linkintime.co.in**<br>**Shareholders who have not registered for INSTAVOTE facility:**<br>**b)** Click on "**Sign Up**" under 'SHARE HOLDER' tab and register with your following details:<br>**A. User ID:**<br>NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.<br>CDSL demat account – User ID is 16 Digit Beneficiary ID.<br>Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.<br>**B. PAN:**<br>Enter your 10-digit Permanent Account Number (PAN)<br>(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.<br>**C. DOB/DOI:**<br>Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)<br>**D. Bank Account Number:**<br>Enter your Bank Account Number (last four digits), as recorded with your DP/Company.<br>**Shareholders holding shares in **NSDL form**, shall provide 'D' above*<br>***Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*<br>Set the password of your choice<br>(The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).<br>Enter Image Verification (CAPTCHA) Code<br>Click "Submit" (You have now registered on InstaVote).<br>**Shareholders who have registered for INSTAVOTE facility:**<br>**c)** Click on "**Login**" under 'SHARE HOLDER' tab.<br>A. User ID: Enter your User ID<br>B. Password: Enter your Password<br>C. Enter Image Verification (CAPTCHA) Code<br>D. Click "Submit"<br>**d) Cast your vote electronically:**<br>A. After successful login, you will be able to see the "Notification for e-voting".<br>B. Select 'View' icon.<br>C. E-voting page will appear.<br>D. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).<br>E. After selecting the desired option i.e. Favour / Against, click on 'Submit'.<br>F. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. |

# NOTICE

**Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")**

| | |
|---|---|
| **STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration** | a) Visit URL: https://instavote.linkintime.co.in<br>b) Click on "**Sign Up**" under "Custodian / Corporate Body/ Mutual Fund"<br>c) Fill up your entity details and submit the form.<br>d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.<br>e) Thereafter, Login credentials (User ID; Organization ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote) |
| **STEP 2 – Investor Mapping** | a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.<br>b) Click on **"Investor Mapping"** tab under the Menu Section<br>c) Map the Investor with the following details:<br>A. 'Investor ID' –<br>i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678<br>ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.<br>B. 'Investor's Name - Enter Investor's Name as updated with DP.<br>C. 'Investor PAN' - Enter your 10-digit PAN.<br>D. 'Power of Attorney' - Attach Board resolution or Power of Attorney.<br>*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.<br>d) Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section". |
| **STEP 3 – Voting through remote e-voting** | The corporate shareholder can vote by two methods, during the remote e-voting period.<br>METHOD 1 **- VOTES ENTRY**<br>a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.<br>b) Click on "**Votes Entry**" tab under the Menu section.<br>c) Enter the "**Event No**." for which you want to cast vote. Event No. can be viewed on the home page of InstaVote under "On-going Events".<br>d) Enter "**16-digit Demat Account No**." for which you want to cast vote.<br>e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).<br>f) After selecting the desired option i.e. Favour / Against, click on 'Submit'.<br>g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.<br>**OR**<br>METHOD 2 **- VOTES UPLOAD**<br>a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.<br>b) After successful login, you will be able to see the "Notification for e-voting".<br>c) Select "**View**" icon for "**Company's Name / Event number**".<br>d) E-voting page will appear.<br>e) Download sample vote file from "**Download Sample Vote File**" tab.<br>f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "**Upload Vote File**" option.<br>g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently). |

# NOTICE

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk 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** | Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 |
| **Individual Shareholders holding securities in demat mode with CDSL** | Shareholders 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 22 55 33 |

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on "**Login**" under 'SHARE HOLDER' tab.
- Click **"forgot password?"**
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

**User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Click "**forgot password**?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ Shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ Shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event"

# NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT MATERIAL FACTS IN RESPECT OF SPECIAL BUSINESSES TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING

### Item No. 4

During the financial year 2024–25, the Company's financial performance was adversely affected by a combination of regulatory and exceptional factors, including the Reserve Bank of India's temporary restrictions on its gold loan business and a one-time provision made towards the Company's investment in an Alternative Investment Fund (AIF). These developments significantly impacted revenue and profitability, leading to a loss for the year ended March 31, 2025.

In view of the inadequacy of profits for the said year, the remuneration paid to Mr. Nirmal Jain, Managing Director, exceeded the limits prescribed under Section 197(1) of the Companies Act, 2013, read with Section II(A) of Part II of Schedule V to the Act. As per the applicable legal framework, in the absence of adequate profits, remuneration to managerial personnel requires the approval of shareholders by way of a Special Resolution, unless it falls within prescribed ceilings.

It may be noted that, in terms of the resolution passed by the shareholders at the Annual General Meeting held on July 8, 2022, Mr. Jain was entitled to receive an annual increment of up to 25% on his basic salary, allowances, and perquisites, along with annual commission as approved. While he remained eligible to draw higher remuneration aggregating to over ₹ 17 crore for FY 2024–25 in line with the approved limits, he has drawn only ₹ 12.26 crore. It is worth noting that since his appointment, Mr. Jain has not drawn any commission and has not availed the full remuneration to which he was entitled across the last three financial years.

Accordingly, the Company seeks the approval of shareholders for the payment of total remuneration of ₹ 12.26 crore (Rupees Twelve Crore Twenty-Six Lakh only) to Mr. Nirmal Jain for the financial year 2024–25, and for waiver of recovery of the remuneration paid in excess of the limits specified under Section 197(1) read with Schedule V of the Companies Act, 2013, for the said period.

The Nomination and Remuneration Committee and the Board of Directors, at their respective meetings held on May 8, 2025, reviewed and recommended the proposal, taking into account Mr. Jain's continued leadership and strategic contribution during an exceptionally challenging period. His stewardship is considered critical to the Company's recovery trajectory and long-term value creation.

As on the date of this Notice, the Company is not in default in repayment of dues to any bank, public financial institution, non-convertible debenture holders, or any other secured creditor. Hence, no prior approval from lenders is required under the provisions of the Companies Act, 2013 for the proposed waiver.

In terms of Section 197(10) of the Companies Act, 2013, the shareholders are empowered to waive the recovery of excess remuneration paid to a managerial person by passing a Special Resolution.

Disclosures required under Schedule V of the Companies Act, 2013, are provided in Annexure B to this Notice.

Mr. Nirmal Jain, Managing Director, is deemed to be interested in the resolution to the extent of his remuneration. None of the other Directors, Key Managerial Personnel, or their relatives are, in any way, financially or otherwise, concerned or interested in this resolution.

The Board recommends the resolution for the approval of shareholders as a Special Resolution.

### Item No. 5

Mr. R Venkataraman (DIN: 00011919) has been associated with the Company for a considerable period and has significantly contributed to the growth and operations of the Company. His leadership, strategic vision, and managerial expertise have been instrumental in the Company's progress. He is currently serving as the Joint Managing Director of the Company.

The term of Mr. R Venkataraman as Joint Managing Director concluded on April 22, 2025. In view of his rich experience, continued contribution, and to ensure the continuity of leadership, the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, at its meeting held on February 12, 2025, approved the re-appointment of Mr. R Venkataraman as the Joint Managing Director of the Company for a further period of five (5) years commencing from April 23, 2025.

Mr. R Venkataraman shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint ventures and/or subsidiaries, including performing duties as assigned by the Managing Director and/ or the Board from time to time by serving on the boards of such associated companies and/or joint ventures and/or subsidiaries or any other executive body or any committee of such a Company.

# NOTICE

The remuneration, if any, payable to Mr. R Venkataraman, shall not exceed the maximum limits prescribed under Section 197 of the Companies Act, 2013, and shall be determined by the Board of Directors (including any Committee thereof) from time to time.

Mr. R Venkataraman is also a Managing Director of IIFL Capital Services Limited (Formerly known as IIFL Securities Limited), an IIFL group company. He is drawing his entire remuneration from IIFL Capital Services Limited and will not draw any remuneration from the Company.

Mr. R Venkataraman satisfies all the conditions set out under Section 196(3) of the Companies Act, 2013 for being eligible for re-appointment and has provided his consent to act as the Joint Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

As per applicable laws, necessary intimations regarding his re-appointment, upon approval of the Shareholders, will be made to the Ministry of Corporate Affairs, the Reserve Bank of India, and other regulatory authorities, as applicable.

A brief profile of Mr. R Venkataraman, along with details of his qualifications, experience, and other directorships, is provided in the annexure to this Notice pursuant to the Secretarial Standard on General Meetings (SS-2) and Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except for Mr. R Venkataraman and his relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution.

The Board of Directors recommends the Ordinary Resolution as set out in the Notice for approval of the Shareholders.

**Item No. 6**

The Board of Directors vide Resolution dated June 16, 2025, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Bibhu Prasad Kanungo (DIN: 07820090) as an Additional Director in the capacity of Non-Executive Independent Director, not liable to retire by rotation effective June 16, 2025, on the Board of the Company.

As per Section 161 of the Companies Act, 2013 (the "Act"), an additional director shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

Further, in terms of Regulation 17(1C) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), listed entity shall ensure that the approval of members for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three (3) months from the date of appointment, whichever is earlier. In view of the same, the requisite approval from Members for appointment of Mr. Bibhu Prasad Kanungo, is being sought within the statutory timeline.

The Company has received a declaration from Mr. Kanungo to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and that he meets the Fit and Proper criteria prescribed by the Reserve Bank of India ("RBI"). In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

He has confirmed that he is not disqualified from being appointed as Director, in terms of the provisions of Section 164(2) of the Act. He also confirmed that he is not debarred from holding the office of Director by virtue of any order from SEBI or any such authority and have given his consent to act as a Director of the Company. The Company has received a notice in writing from a Shareholder under Section 160(1) of the Act, proposing his candidature as Non-Executive Independent Director of the Company.

Mr. Kanungo is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, is independent of the management of the Company.

The brief profile and other details of Mr. Kanungo, seeking appointment through this Notice, as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are annexed to this Notice as Annexure A.

Mr. Kanungo shall be entitled to receive sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 and other relevant provisions of the Act.

Accordingly, the Board recommends the Special Resolution set out in Item No. 6 of this Notice for approval of the Shareholders.

Shareholders are requested to grant their approval by way of a Special Resolution for appointment of Mr. Bibhu Prasad Kanungo as Non-Executive Independent Director of the Company, to hold office for a term of five consecutive years commencing from June 16, 2025 to June 15, 2030 (both days inclusive), not liable to retire by rotation.

Except for Mr. Bibhu Prasad Kanungo and his relatives, none of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

**Item No. 7**

In terms of the provisions of Section 204 of the Companies Act, 2013 (the "Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to annex with its Report of Board of Directors a Secretarial Audit Report given by a Practicing Company Secretary.

Securities and Exchange Board of India (SEBI) vide its notification dated December 12, 2024, amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The amended regulations require companies to obtain shareholders' approval for appointment of Secretarial Auditors, in addition to approval by the Board of Directors. Further, such Secretarial Auditor must be a peer reviewed company secretary and should not have incurred any of the disqualifications as specified by SEBI.

In light of the aforesaid, the Board of Directors of the Company, pursuant to the recommendation of the Audit Committee, has recommended appointment of M/s. Nilesh Shah & Associates, Practicing Company Secretaries (Peer Review No. 6454/2025), as the Secretarial Auditor of the Company for a term of five consecutive financial years commencing from April 1, 2025 till March 31, 2030.

Nilesh Shah & Associates has a rich history that stretches over decades, and the team is mentored by a senior professional of repute. The firm boasts a diverse and distinguished client base across a broad range of sectors. Nilesh Shah & Associates was appointed as Secretarial Auditors for the Company in 2024. The audit report under this engagement was issued for the financial year 2024-25. They had deployed a team of professionals, demonstrating their expertise and proficiency in handling secretarial audit for the Company. Their approach towards the Company's secretarial audit and its fee model has been found to be suitable and aligns with the Company's requirements.

Furthermore, in terms of the amended regulations, Nilesh Shah & Associates has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and hold a valid peer review certificate. They have confirmed that they are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest. They have further furnished a declaration that they have not taken up any prohibited non-secretarial audit assignments for the Company and subsidiary companies.

The proposed remuneration to be paid to Nilesh Shah & Associates for the financial year ending March 31, 2026, is INR 2,50,000/- (Rupees Two Lakh Fifty Thousand only) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications which are to be mandatorily received from the Secretarial Auditors under various statutory regulations from time to time, for which the auditors will be remunerated separately on mutually agreed terms. The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Secretarial Auditors, for the balance part of the tenure based on review and any additional efforts on account of changes in regulations, restructuring or other considerations.

The Board of Directors in consultation with the Audit Committee may alter or vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the notice for approval by the Shareholders.

**Item No. 8**

Pursuant to Section 42 of the Act, read with the Rules framed thereunder, a Company offering or making an invitation to subscribe to Non-Convertible Securities (NCSs) on a private placement basis is required to obtain the prior approval of the Shareholders by way of Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCSs during the year.

The Company is registered as a Non-Banking Financial Company with the Reserve Bank of India and the lending book of the Company consists of diversified products, customer segments, geographies and varying tenors (Short Term and Long Term). To meet the business requirements,

# NOTICE

the Company has been using various resources raising options, inter alia, Commercial Paper, Bank Term Loan/Over Drafts, Public Issues and Private Placement of NCSs, etc.

In view of the above and considering the nature of business of the Company, the approval of the Shareholders is being sought by way of a Special Resolution under Section 42 and 71 of the Act read with the Rules made thereunder, to enable the Company to offer or invite subscriptions of NCSs on a private placement basis, in one or more series/ tranches to eligible persons for limit upto ₹10,000 Crore during the period of one year from the date of passing of the resolution at Item No. 8, within the overall borrowing limits of the Company, as approved by the Shareholders from time to time.

The Board accordingly recommends the Special Resolution set out in Item No. 8 of the Notice for approval of the Shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 8 of the Notice.

**Item No. 9, 10, 11, 12, 13 and 14**

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, requires Shareholders approval by means of an ordinary resolution for all material related party transactions (as defined in Companies Act, 2013, Ind AS18 and Listing Regulations) and subsequent modifications, including transactions that are in the ordinary course of business of the concerned company.

A transaction with a related party shall be considered material under the Listing Regulations, if the transaction(s) in a contract to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, or any other materiality threshold prescribed by any other applicable law.

The annual consolidated turnover of the Company for FY 2024-25 is ₹ 10,237 Crore. Accordingly, any transaction(s) by the Company with its related party exceeding, lower of ₹1,000 Crore or ₹ 1,023 Crore (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the prior approval of the Shareholders would be required to do any material transaction exceeding ₹ 1,000 Crore with related party of the Company.

The Company as a consolidated entity is one of the leading Non-Banking Financial Company (NBFC), primarily engaged in the business of financing Gold loans, Business loans to MSMEs, Construction and Real Estate Financing and Capital Market Financing. The group entities may have a temporary surplus or deficit and these limits are for exceptional circumstances.

With the above background and considering the nature of business and operations of the Company, it does sometimes enter Related Party Transactions in the ordinary course of business including Inter-Corporate Deposit ("ICD") from/to related parties as last resort and as stop gap/bridge funding arrangements.

It would be our constant endeavor to limit the volume of such transactions and pursue this route only in the event of an exigency.

The maximum value of the transactions with the each related party, as may be disclosed in the notes forming part of the financial statements for the relevant period on an ongoing basis, whether individually and/or in the aggregate shall not exceed amount specified in the Annexure C, during the each financial year 2025-26 and financial year 2026-27, and shall be valid from the date of passing of the resolution at Item Nos. 9, 10, 11, 12, 13 and 14 upto the date of next Annual General Meeting to be held in the financial year 2026-27.

As per Regulation 23 of the Listing Regulations, approval of the Shareholders is sought for approval of the arrangements/ transactions/contracts undertaken whether by way of continuation/extension/renewal/modification/ratification of earlier arrangements/transactions/contracts.

The Company proposes to obtain approval of its Shareholders for giving approval to the Board for carrying out and/ or continuing with the arrangements and transactions as provided in the Part II of Annexure C with below mentioned related parties.

The transaction(s) with related parties fall within the purview of the Listing Regulations and all these transactions in aggregate, are material related party transactions under the Listing Regulations. These transactions are in the ordinary course of business and on an arm's length basis.

# NOTICE

**With respect to the above matter, the Shareholders are requested to note the following disclosures of Interest:**

| Sr. No. | Name of the Related Party | Nature of Concern or Interest |
|---|---|---|
| 1. | IIFL Home Finance Limited | IIFL Home Finance Limited is a material subsidiary of the Company. Mr. Nirmal Jain, Mr. R Venkataraman and Mr. Ramakrishnan Subramanian are Directors in IIFL Home Finance Limited. |
| 2. | IIFL Samasta Finance Limited | IIFL Samasta Finance Limited is a material subsidiary of the Company. Mr. R Venkataraman and Mr. Nihar Niranjan Jambusaria are the Director in IIFL Samasta Finance Limited. |
| 3. | IIFL Facilities Services Limited | IIFL Facilities Services Limited is a subsidiary of IIFL Capital Services Limited. Mr. Nirmal Jain and Mr. R Venkataraman are the Promoters of IIFL Capital Services Limited and hold along with their relatives & persons acting in concert 9,51,43,214 equity shares i.e. 30.70% in IIFL Capital Services Limited. |
| 4. | IIFL Management Services Limited | IIFL Management Services Limited is a Subsidiary of IIFL Capital Services Limited. Mr. Nirmal Jain and Mr. R Venkataraman are the Promoters of IIFL Capital Services Limited and hold along with their relatives & persons acting in concert 9,51,43,214 equity shares i.e. 30.70% in IIFL Capital Services Limited. |
| 5. | IIFL Capital Services Limited (Formerly known as IIFL Securities Limited) | Mr. R Venkataraman is a Managing Director of IIFL Capital Services Limited (Formerly known as IIFL Securities Limited). Mr. Nirmal Jain and Mr. R Venkataraman are the Promoters of IIFL Capital Services Limited and hold along with their relatives & persons acting in concert 9,51,43,214 equity shares i.e. 30.70% in IIFL Capital Services Limited. |
| 6. | 5Paisa Capital Limited | As on March 31, 2025, Mr. Nirmal Jain and Mr. R Venkataraman are the Promoters of 5Paisa Capital Limited and hold along with their relatives & persons acting in concert 1,02,30,698 equity shares i.e. 32.75% in 5Paisa Capital Limited. |

The details required as under the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, in connection with the material related party transactions is attached in Annexure C.

The Board accordingly recommends the ordinary resolutions set out in Item Nos. 9, 10, 11, 12, 13 and 14 of this Notice for approval of the Shareholders.

Except the above Directors and their relatives, none of the Directors/Key Managerial Personnel/their relatives is in any way, concerned or interested, financially or otherwise in the Ordinary Resolutions set out at Item Nos. 9, 10, 11, 12, 13 and 14 respectively.

**By Order of the Board of Directors**

For **IIFL Finance Limited**

**Samrat Sanyal**
Company Secretary
ACS - 13863

**Registered Office:** IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane - 400604
CIN: L67100MH1995PLC093797
E-mail: shareholders@iifl.com
Telephone No.: (91-22) 4103 5000

Date: June 19, 2025

Place: Mumbai

# ANNEXURE A

**Information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings with respect to appointment of Mr. TS Ramakrishnan, who retires by rotation and re-appointment of Mr. R Venkataraman and appointment of Mr. Bibhu Prasad Kanungo:**

| | | | |
|---|---|---|---|
| **Name** | Mr. T S Ramakrishnan | Mr. R Venkataraman | Mr. Bibhu Prasad Kanungo |
| **Date of birth/age** | December 12, 1963 (61 years) | July 27, 1967 (57 years) | May 5, 1959 (66 years) |
| **Nationality** | Indian | Indian | Indian |
| **Date of first appointment on the board** | October 26, 2023 | July 5, 1999 | June 16, 2025 |
| **Shareholding in the Company (as on March 31, 2025)**<br>**(including beneficial ownership)** | Nil | 1,23,01,441 | Nil |
| **Board meetings attended during FY 2024-25** | Attended all 11 out of 11 meetings. | Attended 8 out of 11 meetings. | Not Applicable |
| **Experience in specific functional area** | Insurance Industry | Investment Banking, Equity Research, Strategic Management, Accounting and Finance. | Central Banking |
| **Qualification(s)** | B. Com, PGDIM, Fellow member of Insurance Institute of India, Diploma in Health Insurance | B. Tech (Electronics and Electrical Communications Engineering) from IIT Kharagpur.<br>Post Graduate Diploma in Management from IIM Bangalore. | M.A.LLB, Certified Associate of Indian Institute of Bankers (CAIIB) |
| **Last drawn remuneration** | Nil | Nil | Not Applicable |
| **Sitting Fees and commission** | ₹11,00,000 | Not Applicable | Not Applicable |
| **Relationship with other directors and key managerial personnel** | Not related to any Director /Key Managerial Personnel | Not related to any Director /Key Managerial Personnel | Not related to any Director /Key Managerial Personnel |
| **Directorship in other Companies (As on March 31, 2025)** | Nil | 1. IIFL Home Finance Limited<br>2. IFL Capital Services Limited<br>3. IIFL Samasta Finance Limited<br>4. Orpheus Trading Private Limited | 1. Shriram Life Insurance Company Limited<br>2. Resilient Innovations Private Limited |
| **Chairperson/Member in the committees of the other public Companies [Includes only Audit Committee and Stakeholders Relationship Committee] (As on March 31, 2025)** | Nil | IIFL Home Finance Limited – Stakeholders Relationship Committee<br>IIFL Samasta Finance Limited – Audit Committee | Resilient Innovations Private Limited – Audit Committee |
| **Remuneration sought to be paid** | Nil | Nil | Nil |

IIFL FINANCE

# ANNEXURE A

| | | | |
|---|---|---|---|
| **Brief Profile** | Mr. Tritala Subramanian Ramakrishnan held the position of General Manager at LIC Housing Finance Ltd, one of India's leading housing finance companies, before being appointed as the Managing Director and Chief Executive Officer of LIC Mutual Fund. Mr. Ramakrishnan started his career as a direct recruit officer with LIC of India in 1988 and has risen through the ranks to this position. In a career spanning over three decades in the corporation, Mr. Ramakrishnan has made his mark in the areas of training, Marketing and Pension & Group business. He has served as Regional Head of Pension & Group business of LIC's South Central Zone. He was the Senior Divisional Manager In-charge of Delhi Division. He has also had a stint as Vice Principal in Zonal Training Centre. Mr. Ramakrishnan holds a B.Com (Hons) degree from the University of Delhi and a Post Graduate Diploma in Management. He is a Fellow of the Insurance Institute of India. He also holds a Diploma in Health Insurance. He was also on the Board of AMFI (Association of Mutual Funds in India). | Mr. R. Venkataraman is the Co-Promoter and Joint Managing Director of the Company and has been an integral part of the IIFL Group since 1999. Over the past two decades, he has played a central role in driving the Group's strategic direction, guiding its transformation into a diversified and future-ready financial services institutions. As a Co-Promoter of IIFL Finance Limited, he has been instrumental in shaping the Company's expansive presence across lending, wealth management, and capital markets. Under his leadership, IIFL Finance has emerged as one of India's leading financial conglomerates and is recognized as one of the leading independent financial services Company in the Country. With more than 34 years of experience in the financial services industry, Mr. Venkataraman has led several high-impact business initiatives, fostering innovation and growth across key verticals. His vision and unwavering focus on execution have been critical to the Group's sustained performance and its reputation as one of India's most trusted financial brands.<br><br>Mr. Venkataraman is known for his strategic acumen, operational discipline, and strong execution, which have collectively contributed to enhancing the Group's value proposition and investor confidence. Before his tenure at IIFL, he held senior positions at ICICI Limited, Barclays BZW and GE Capital Services India Limited. His diverse background across banking, investment, and financial strategy has enriched the Group's capabilities and vision.<br><br>Mr. Venkataraman holds a Post Graduate Diploma in Management from the Indian Institute of Management Bangalore and a Bachelor's degree in Electronics and Electrical Communications Engineering from the Indian Institute of Technology, Kharagpur. | Mr. Bibhu Prasad Kanungo is a former Deputy Governor of the Reserve Bank of India (RBI). He had a career as a central banker with nearly four decades of experience of working in all the major functional areas of the Reserve Bank.<br><br>As the Deputy Governor, during 2017 to 2021, he was responsible for overseeing Currency Management, Foreign Exchange Regulations, Regulation and Development of the Payment and Settlement Systems, Government Debt Management, Reserve Management, Government and Bank Accounts, Information Technology, Consumer Protection, Financial Inclusion, etc. He also was a member of the Monetary Policy Committee for some time.<br><br>Mr. Kanungo was RBI's Banking Ombudsman for Madhya Pradesh and Chhattisgarh. He also oversaw implementation of RBI's policies at ground level as the Regional Director of Rajasthan and West Bengal and Sikkim.<br><br>Mr. Kanungo served as the Nominee Director of RBI on the Boards of Punjab and Sindh Bank, Punjab National Bank, National Housing Bank and NABARD. He represented RBI in international Committees of the Bank for International Settlement in its Markets Committee and Committee for Financial Stability.<br><br>He was chairman of Bharatiya Reserve Bank Note Mudran Nigam Private Limited. He also headed RBI's external Committee for Review of Customer Service Standards in RBI Regulated Entities(REs).<br><br>Post his tenure as Deputy Governor of RBI, Mr. Kanungo was Director of Centre for Advanced Financial Research and Learning (CAFRAL), a RBI-funded research and learning organisation devoted to cutting-edge research in Macro-Economics, Finance and skill development of top management of Regulated Entities. |

# ANNEXURE B

## I. General Information

| | | |
|---|---|---|
| i. | Nature of Industry | The Company is engaged in Non-Banking Financing |
| ii. | Date or expected date of commencement of commercial production | The Company has already been in operation for 30 years |
| iii. | In the case of new companies, the expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable |
| iv. | Financial performance based on given indicators (Standalone) | (In crore)<br>**Particulars** / **FY 2024-25**<br>Revenue from operations: 4,066.17<br>Profit/(Loss) before tax: (550.77)<br>Profit/(Loss) after tax: (409.57) |
| v. | Foreign investments or collaborators, if any | The Company has not entered into any foreign collaboration |

## II. Information about the Managing Director

| **Particulars** | **Information** |
|---|---|
| Background details | Mr. Nirmal Jain is the founder and Managing Director of the Company. He holds a PGDM (Post Graduate Diploma in Management) from the Indian Institute of Management (IIM), Ahmedabad and is a rank holder Chartered Accountant and a Cost Accountant. He started his career in 1989 with Hindustan Unilever Limited. He founded IIFL Group in 1995. It started as an independent equity research Company in India. Over the last 30 years, he has led the expansion of the group, while remaining focused on financial services. The IIFL Group has leading presence in India's wealth & asset management, consumer lending, securities trading & discount broking spaces. With an impeccable track record of governance and growth, the Group has attracted marquee investors and won accolades internationally. |
| Recognition and awards | The Economic Times recognizes Mr. Nirmal Jain and one of the most promising business leaders in Asia. He has received the CA Entrepreneur Leader Award in the Financial Services category from The Institute of Chartered Accountants of India (ICAI) and is recognised among the most successful IIM alumnus by Business Today magazine. |
| Job profile and his suitability | Mr. Nirmal Jain is the Managing Director of the Company. He has been Managing Director since April 1, 2022. He held the position as Whole-time Director and Chairman of the Company from April 23, 2020 till March 31, 2022. |
| Remuneration proposed | Details of excess remuneration paid are given in the explanatory statement. |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of her origin) | His remuneration is in line with that drawn by his peers in Industry. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | He is the Promoter of the Company and holds 5,34,40,570 equity shares of the Company. |

# ANNEXURE B

## III. Other Information

| | |
|---|---|
| Reasons for inadequate profits | During the year, the Company's operational performance was adversely affected due to regulatory restrictions imposed by the Reserve Bank of India on its gold loan business. Since the gold loan segment had been a significant contributor to the Company's revenue and profitability, these restrictions led to a decline in overall financial performance. |
| Steps taken or proposed to be taken for improvement | With the lifting of the regulatory restrictions on the gold loan business, the Company has resumed its operations in this key segment, which is expected to significantly contribute to revenue growth and profitability going forward. In addition, the Company is proactively implementing aggressive strategies and revenue enhancement initiatives aimed at strengthening overall operational performance. |
| Expected increase in productivity and profits in measurable terms | With the resumption of the gold loan business, the Company expects a steady recovery in revenue driven by increased gold loan disbursements over the coming months. This growth is anticipated to positively impact overall profitability. |

# ANNEXURE C

## THE DETAILS REQUIRED AS UNDER THE LISTING REGULATIONS IN CONNECTION WITH THE MATERIAL RELATED PARTY TRANSACTIONS ARE GIVEN BELOW

**(Pursuant to Reg. 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

| Name of the Related Party | IIFL Home Finance Limited | IIFL Samasta Finance Limited | IIFL Facilities Services Limited | IIFL Management Services Limited | IIFL Capital Services Limited | 5paisa Capital Limited |
|---|---|---|---|---|---|---|
| Nature of Relationship | Subsidiary | Subsidiary | Other Related Party | Other Related Party | Other Related Party | Other Related Party |
| Nature of concern or interest of the related party (financial or otherwise) | Financial | Financial | Financial | Financial | Financial | Financial |

**I. Value and Type of Transaction: Aggregate value of fresh transactions between IIFL Finance limited and related parties are as per details mentioned herein below:**

(₹ in Crore)

| Type of transaction | | Transaction Limits | | | | | |
|---|---|---|---|---|---|---|---|
| | | IIFL Home Finance Limited | IIFL Samasta Finance Limited | IIFL Facilities Services Limited | IIFL Management Services Limited | IIFL Capital Services Limited | 5paisa Capital Limited |
| 1. | Inter-Corporate Deposit given | 1,300 | 1,500 | 500 | 500 | 1,500 | 500 |
| 2. | Inter-Corporate Deposit taken | 1,300 | 1,500 | 500 | 500 | 1,500 | 500 |
| 3. | Investment in/Issue of Debentures and other securities (other than Shares)/ Purchase/ Sale of Investment | 400 | 400 | 400 | 400 | 400 | - |
| 4. | Cost allocation Received / Paid | 7 | 7 | 7 | 7 | 7 | 7 |
| 5. | Reimbursement of expenses on actuals | 15 | 20 | 10 | 10 | 20 | 10 |
| 6. | Arrangement for providing leads/clients to IIFL Finance including business correspondent deals & vice versa (Limit for each transaction type) | 15 | 250 | 25 | 25 | 25 | 25 |
| 7. | Share Broker Agreement | - | - | - | - | 6 | - |
| 8. | Brokerage/Commission paid on NCDs | - | - | - | - | 35 | - |
| 9. | Purchase /Sale of Fixed assets | 4 | 4 | 4 | 4 | 4 | 4 |
| 10. | Payout/Servicing Fee on loans assigned | 51 | - | - | - | - | - |
| 11. | Rental expenses | - | - | 13 | 6 | - | - |
| 12. | Assignment of Loan | - | 1,500 | - | - | - | - |
| **Total** | | **3,092** | **5,181** | **1,459** | **1,452** | **3,497** | **1,046** |

IIFL FINANCE

# ANNEXURE C

**II. Type, Material terms including Tenure, Rate of Interest, repayment, security, other covenants of the Transactions, source of funds, purpose of use of funds and Justification as to why the related party transaction is in the interest of the listed entity:**

| Type of Transaction | | Tenure | Interest Rate | Security | Repayment | Source of Funds | Purpose/Use of Funds | Indebtedness Incurred for Subscription of Securities (Yes/ No) | Justification as to Why the RPT is in the Interest of the Listed Entity |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Inter-Corporate Deposits given | Upto 1 year | SBI 1year MCLR + Credit spread of 250 to 350 basis points shall be applicable on all ICD transactions during the year. IIFL Home Finance Limited, applicable rate will be SBI 3-month MCLR + 300 bps to 400 bps as facilities are majorly short term in nature | Unsecured | Bullet repayment on maturity or payable/ receivable on demand | NA | Working Capital, Treasury management and general corporate purpose | Not applicable.<br><br>The Company ensures that further investment of surplus funds is being made out of the free float of available funds with it | These transactions are regular business transactions of the Company and carried out at arm's length and in accordance with the applicable laws |
| 2. | Inter-Corporate Deposits taken | | | | | | | | |
| 3. | Investment in/Issue of Debentures and other securities (other than Shares)/ Purchase/ Sale of Investment | Depends on the nature of investment | | | | NA | Working Capital, Treasury management and general corporate purpose | Not applicable.<br><br>The Company ensures that further investment of surplus funds is being made out of the free float of available funds with it | These transactions are regular business transactions of the Company and Pricing is based on prevailing market rates/ conditions or as per the agreement executed |

**III. Material terms and Justification as to why the related party transaction is in the interest of the listed entity for other transactions**

Transactions in the ordinary course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.

**IV. Valuation or other external party report**

Not applicable as the transactions are carried out at competitive and prevailing market prices.

IIFL FINANCE

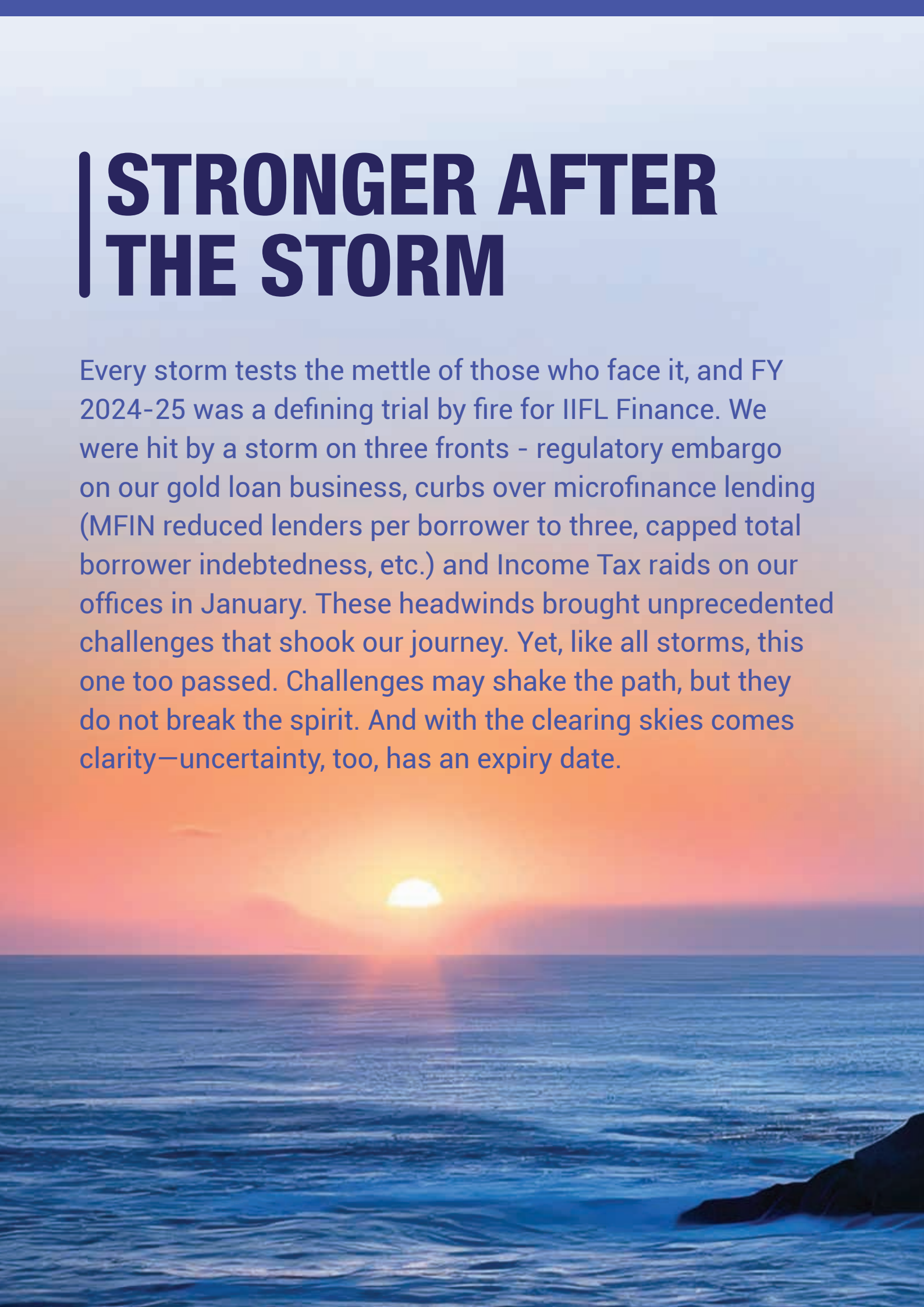
# STRONGER
## AFTER THE STORM

IIFL FINANCE LIMITED

INTEGRATED ANNUAL REPORT
**2024-25**

# STRONGER AFTER THE STORM

Every storm tests the mettle of those who face it, and FY 2024-25 was a defining trial by fire for IIFL Finance. We were hit by a storm on three fronts - regulatory embargo on our gold loan business, curbs over microfinance lending (MFIN reduced lenders per borrower to three, capped total borrower indebtedness, etc.) and Income Tax raids on our offices in January. These headwinds brought unprecedented challenges that shook our journey. Yet, like all storms, this one too passed. Challenges may shake the path, but they do not break the spirit. And with the clearing skies comes clarity—uncertainty, too, has an expiry date.



How did we manage to sail safely through the storm? We anchored ourselves firmly in our core values of fairness, integrity and transparency. With unwavering resolve, we navigated through turbulent waters, transforming adversity into opportunity. The RBI embargo on our gold loans lasted little over six months and we managed to stay above water during the turmoil. All our branches remained operational and we continued to engage with all our stakeholders - customers, bankers, regulators seamlessly. There were zero job losses, no salary reductions during these testing times, demonstrating our commitment to the well-being of our people. We addressed the queries of our lenders in a transparent manner, paying back over ₹ 18,000 Crores to them. We also revamped our processes, policies, systems and resources to ensure a smooth return to business as usual – without imposition of any penalty or limitations. Even in these tumultuous times, we managed to raise US$ 152 Million via a fully subscribed rights issue, a clear signal of continued investor confidence in our Company. While the MFIN regulations have affected performance of microfinance companies, we believe these reforms are grounded in good intent, with a strong focus on safeguarding borrowers' interests.

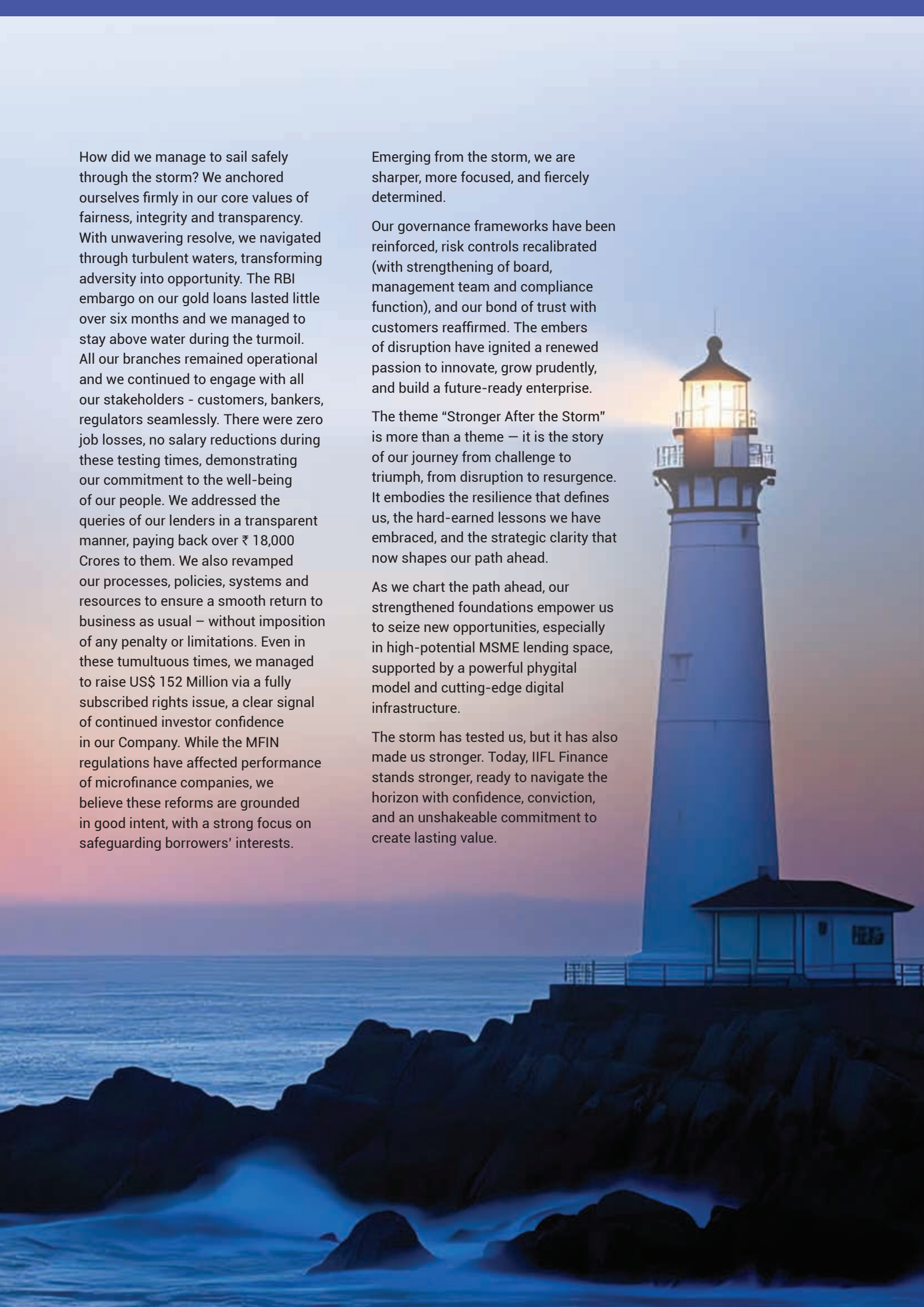
Emerging from the storm, we are sharper, more focused, and fiercely determined.

Our governance frameworks have been reinforced, risk controls recalibrated (with strengthening of board, management team and compliance function), and our bond of trust with customers reaffirmed. The embers of disruption have ignited a renewed passion to innovate, grow prudently, and build a future-ready enterprise.

The theme “Stronger After the Storm” is more than a theme — it is the story of our journey from challenge to triumph, from disruption to resurgence. It embodies the resilience that defines us, the hard-earned lessons we have embraced, and the strategic clarity that now shapes our path ahead.

As we chart the path ahead, our strengthened foundations empower us to seize new opportunities, especially in high-potential MSME lending space, supported by a powerful phygital model and cutting-edge digital infrastructure.

The storm has tested us, but it has also made us stronger. Today, IIFL Finance stands stronger, ready to navigate the horizon with confidence, conviction, and an unshakeable commitment to create lasting value.



# In Memoriam

## Mr. Kranti Sinha

**(Independent Director, IIFL Group)**

**(1942–2025)**

"A steady compass of wisdom and integrity, Mr. Sinha left behind not just footprints — but firm foundations."

It is with deep respect and profound sadness that we remember and honor Mr. Kranti Sinha, whose passing has left a void in the heart of IIFL Finance and the broader BFSI community.

A veteran with decades of leadership in the insurance and housing finance sectors, Mr. Sinha joined the Board of IIFL Group as an Independent Director in 2005. Over the years, his principled and insightful contributions helped shape our governance architecture, refine our long-term strategy, and build enduring trust with stakeholders.

He served on our Board with distinction until his retirement in 2019 from IIFL Finance and in 2023 from the Board of IIFL Home Finance, after which he remained a respected well-wisher and advisor.

More than a Board Member, Mr. Sinha was a mentor and guide to Mr. Nirmal Jain, Founder & Managing Director, and Mr. R. Venkataraman, Joint Managing Director. His wisdom illuminated many of our most important decisions—from navigating regulatory transitions to deepening financial inclusion.

Mr. Sinha believed in responsible innovation and disciplined growth. He championed ethical lending, strong risk frameworks, and outreach to underbanked communities—values that remain foundational to our mission.

**Reflections**

"Mr. Sinha's clarity of thought and unwavering principles were an inspiration to me personally and to all of us at IIFL."

**Nirmal Jain, Founder & Managing Director**

"He brought a calm strength and deep wisdom to every discussion. We are better because of his presence."

**R. Venkataraman, Joint Managing Director**

We extend our deepest condolences to his family and loved ones.
His legacy—of governance, integrity, and purpose-driven leadership—will always remain a part of IIFL's DNA.

May his soul rest in peace.

# ABOUT THIS REPORT

## REPORTING SCOPE AND BOUNDARY

The Integrated Annual Report ("Report") for FY 2024-25 presents a holistic narrative of IIFL Finance Limited's journey in delivering on its purpose. It articulates how the Company (hereinafter referred to as 'IIFL', 'we', 'our Company', or 'the Company') creates sustainable value for its stakeholders—including customers, shareholders, lenders, regulators, employees, and society at large. This commitment forms the cornerstone of our value creation story and highlights our broader impact beyond financial performance. In addition to financial metrics, the Report offers insights into our non-financial performance, key risks and opportunities, strategic priorities, and sustainability initiatives. It also details the governance and risk management frameworks that support and strengthen our overall performance.

The Report covers the primary activities of the Company, including its subsidiaries and other investments where the Company has financial control and significant influence.

## REPORTING PERIOD

This Report is prepared for the period from April 1, 2024 to March 31, 2025, in alignment with the Company's financial reporting cycle ending on March 31, 2025. It also incorporates key developments occurring after the reporting period and up to the date of Board meeting, i.e., May 8, 2025, where the statutory reports were placed for the approval.

## REPORTING PRINCIPLES AND FRAMEWORK

This Report has been prepared in alignment with the principles of the International Integrated Reporting Framework (IIRC), while also adhering to the disclosure requirements under the SEBI-prescribed Business Responsibility and Sustainability Reporting (BRSR) format and the Global Reporting Initiative (GRI) Standards. The financial information presented herein complies with the applicable provisions of the Companies Act, 2013 (including the rules framed thereunder), the Companies (Accounting Standards) Rules, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## FORWARD-LOOKING STATEMENTS

This document contains statements about expected future events and financials of IIFL Finance ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in this Integrated Annual Report.

## FINANCIAL AND NON-FINANCIAL REPORTING

IIFL Finance Limited's Integrated Annual Report goes beyond traditional financial disclosures by encompassing non-financial performance, key opportunities, risks, and outcomes linked to our key stakeholders and external factors.

## MATERIALITY

The report focuses on issues, opportunities, and risks that have a material impact on our economic, environmental, social, and governance performance, all of which influence our ability to operate as a sustainable business that consistently creates and preserves value for all stakeholders over the medium to long term.

## BOARD APPROVAL

The Board acknowledges its responsibility for the integrity of this Integrated Annual Report. It oversees the management's evaluation of the efficacy of disclosure controls and procedures through an internal control framework and assessment.

## REPORTING ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG METRICS)

IIFL Finance Limited's Integrated Annual Report goes beyond conventional financial reporting to encompass key ESG performance indicators. Comprehensive sustainability disclosures are embedded within the Strategic Review and BRSR sections.

# OUR INTEGRATED REPORTING PROCESS

## INTEGRATED THINKING

At IIFL, integrated thinking forms the backbone of how we operate—connecting strategy, governance, performance, and sustainability to deliver inclusive and responsible financial solutions. Our actions are guided by a strong commitment to financial inclusion and empowering progress through responsible lending.

## INTEGRATED REPORTING PROCESS

Our integrated reporting process is designed to present a holistic and transparent view of how IIFL Finance creates, delivers, and sustains value over time. It is guided by the principles of the Integrated Reporting (<IR>) Framework and underpinned by robust internal controls and assurance mechanisms. The process involves compiling relevant financial and non-financial information, validating the accuracy and integrity of disclosures through internal reviews and securing approvals from Senior Management and the Board. This structured approach ensures alignment with our strategic priorities, stakeholder expectations, and regulatory standards.

## OUR STRATEGIC PRIORITIES

**S1** Address growing financial needs in underserved markets

**S2** Build capacity and grow customer base through retail focus and geographic expansion

**S3** Strengthen performance by fortifying our operating processes and risk management

**S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency

**S5** Ensure effective asset-liability management, diversify borrowing sources and strengthen our credit profile

**S6** Capital-optimized, value-innovation driven strategy

For more information, refer to page **44**

Financial Capital | Physical Capital | Intellectual Capital | Human Capital | Social & Relationship Capital | Natural Capital

## OUR STAKEHOLDERS

- Customers
- Investors/ Shareholders
- Employees
- Communities/ NGOs
- Government/ Regulators
- Business Partners/ Suppliers
- Bankers/ Lenders

For more information, refer to page **30**

## SUSTAINABILITY PILLARS

- Financial stability
- Positive environmental impact
- Inclusive growth
- A winning workplace

## OUR MATERIAL PRIORITIES

- Corporate governance and ethics
- Financial inclusion and literacy
- Employment practices
- Data and customer privacy
- Customer satisfaction
- Regulatory compliance
- Digitalization
- Responsible lending
- Community development
- Risk management
- Engagement with business partners
- Diversity and inclusion
- Responsible marketing
- Customer financial protection
- Human rights
- Climate change and GHG emissions
- Resource management

For more information, refer to page **34**

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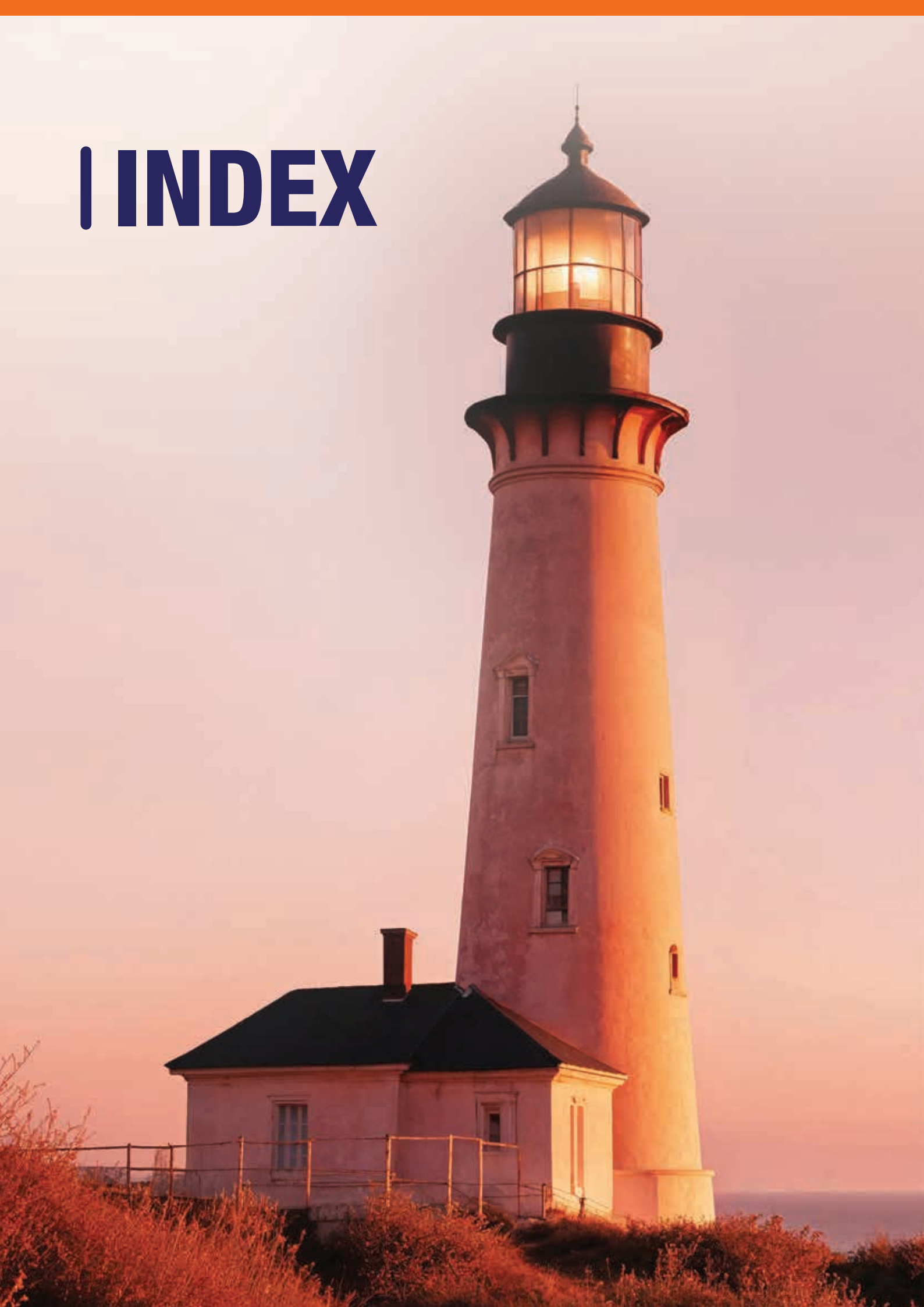

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## INVESTOR INFORMATION

| | |
|---|---|
| Market capitalization (as on 31 March, 2025) | ₹ 13,892 Crores |
| CIN | L67100MH1995PLC093797 |
| NSE symbol | IIFL |
| BSE code | 532636 |

For more investor-related information, please visit: *https://www.iifl.com/finance/investor-relations/financials*

Scan the QR code to view our Integrated Annual Report:

WHO WE ARE

# CONTRIBUTORS TO INDIA'S PROGRESS

Over the past three decades, IIFL Finance Limited has solidified its stature as one of India's foremost non-banking financial companies (NBFCs). Renowned for its unwavering commitment to integrity, transparency, and customer-centricity, our Company offers innovative, tailored financial solutions that foster inclusive growth and financial empowerment across the nation.

Headquartered in Mumbai, IIFL Finance has transformed into a diversified financial services powerhouse. Its expansive product portfolio includes home loans, gold loans, MSME loans, microfinance, and capital market financing-addressing the unique needs of both retail and corporate clients. With a robust national presence and an unwavering focus on innovation, IIFL Finance continues to be a catalyst in broadening access to finance.

By prioritizing the underserved and underbanked segments of the society, IIFL Finance is making a significant contribution to India's progress toward financial inclusion, ensuring that financial services reach every corner of the country.

Complementing our core activities, the IIFL Foundation serves as the Corporate Social Responsibility (CSR) arm of the IIFL Group. Established in 2014, the Foundation has been actively addressing critical social challenges through its strategic focus on HELP — Health, Education & Environment, Livelihood, and Poverty Alleviation.

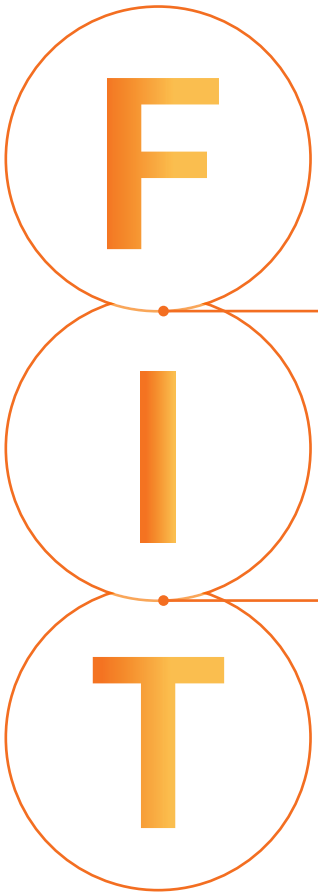
Through the Foundation, we extend our purpose beyond business-driving meaningful change and contributing to the creation of a more inclusive, equitable, and sustainable society. Our initiatives reflect a deep commitment to uplifting communities and empowering individuals, reinforcing our belief that true growth is measured not only in profits, but in the positive impact we create.

## OUR VISION

**To be the most respected financial services company in India. Not necessarily the largest or most profitable.**

## CORE VALUES

Our core principles serve as a moral compass, guiding every decision and action we take. FIT - Fairness, Integrity, and Transparency, are the driving principles behind our operations. We partner with individuals and organizations who share our unwavering commitment to these values. These principles are not just ideals — they are non-negotiables that define who we are and how we do business.




**FAIRNESS**

Fairness in our transactions with all stakeholders, including employees, customers, communities, regulators, Government, investors, and vendors, bereft of fear or favor

**INTEGRITY**

Integrity and honesty of the utmost nature, in letter, in spirit, and in all our dealings with people, internal or external

**TRANSPARENCY**

Transparency in all our dealings with stakeholders, media, investors, and the public at large

## OUR CREDIT RATINGS

### CRISIL RATING

**AA/Stable**
Long-term rating

**A1+**
Short-term rating

### FITCH RATING

**B+/Stable**
Long-Term Issuer Default Rating (IDR)

### S&P GLOBAL RATING

**B+/Stable**
Long-term rating

HOW WE ARE STRUCTURED

# SEAMLESSLY ALIGNED

## OUR SUBSIDIARIES

Our subsidiaries — IIFL Home Finance and IIFL Samasta Finance Limited - are integral to expanding IIFL Finance's retail lending footprint. By strategically operating across key sectors including home loans and microfinance loans, they significantly amplify our Company's capacity to serve a diverse range of borrowers, while further solidifying our presence in the market.

### IIFL HOME FINANCE LIMITED

IIFL Home Finance Limited (IIFL HFL) is India's leading affordable housing finance company, championing homeownership for first-time buyers in the Economically Weaker Sections (EWS) and Lower Income Groups (LIG). It is dedicated to promoting inclusivity, women empowerment, and sustainable development. With over 370 branches across 20 states and union territories, and an advanced IT infrastructure, the company ensures a seamless and accessible loan process for those seeking to fulfill their housing aspirations.

### IIFL SAMASTA FINANCE LIMITED

IIFL Samasta Finance Limited, a prominent NBFC-MFI, is dedicated to providing microfinance solutions to individuals in rural and semi-urban regions. Through its commitment to financial inclusion and the promotion of grassroots entrepreneurship, the company plays a pivotal role in empowering underserved communities, driving socio-economic progress, and fostering sustainable development.

## CORPORATE STRUCTURE

IIFL FINANCE LIMITED'S OWNERSHIP (%)

### HOUSING FINANCE

**79.59%**

IIFL Home Finance Limited

### MICROFINANCE

**99.56%**

IIFL Samasta Finance Limited

IIFL FINANCE

OUR JOURNEY SO FAR

# FROM HUMBLE BEGINNINGS TO LIMITLESS HORIZONS

## 2018–2020

- Group reorganization into three listed entities. IIFL Capital Services Limited and 360 ONE WAM Limited were demerged and independently listed. IIFL Holdings Limited was renamed as IIFL Finance Limited.
- Raised US$ 400 Million through a Dollar bond offering, diversifying our liability sources

## 2024–Present

- Maintaining strong credit ratings, reflecting financial stability
- Raised ₹ 1,272 Crores through a fully subscribed rights issue
- Finalized our social financing framework and received a "Good" second party opinion on the framework from Sustainable Fitch
- Raised US$ 325 Million through a second US$ bond raise and US$ 100 Million through a follow-on issue.

## 2021–2023

- Abu Dhabi Investment Authority (ADIA) invested ₹ 22 Billion for a 20% stake in IIFL Home Finance
- Pivoted to co-lending as an integral part of our business strategy

## 2016–2017

- Acquired IIFL Samasta Finance Limited a Bengaluru-based micro finance institution
- Strengthened digital platforms

## 2011–2015

- Fairfax becomes the largest shareholder in the Company through an open offer
- Incorporated IIFL Mutual Fund

## 2006–2010

- Commenced lending business
- Started institutional equities business
- Launched IIFL Private Wealth Management
- Registered with NHB for housing finance business
- Commenced gold loan business

## 2001–2005

- Launched 'Trader Terminal', a proprietary trading platform
- Received license for commodities broking and advisory services
- Listed on NSE and BSE through maiden IPO

## 1997–2000

- Added marquee clients, launched research products
- Introduced www.indiainfoline.com to provide research online, expanding user base
- CDC invested US$ 1 Million in our Company, marking the first private equity investment
- Pioneered online trading with www.5paisa.com, offering full-service brokerage at competitive rates

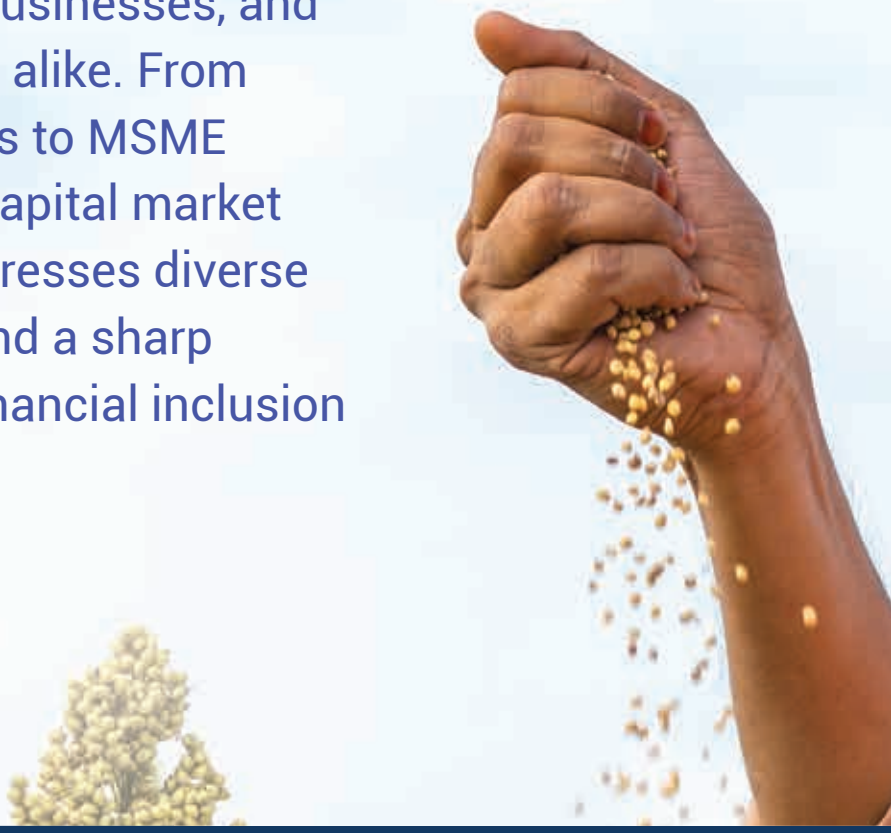
## 1995

Formed Probity Research and Services Pvt. Ltd.

WHAT WE PROVIDE

# INNOVATIVE PRODUCTS, TAILORED FOR EVERY NEED

IIFL Finance offers a wide-ranging portfolio of financial solutions, empowering individuals, businesses, and underserved communities alike. From home loans and gold loans to MSME loans, microfinance, and capital market finance, our Company addresses diverse needs with speed, trust, and a sharp customer focus, driving financial inclusion and growth across India.



## OUR CUSTOMER SUCCESS STORY

### Tarun Sundar spark: Powering MSME growth with gold

Tarun Sundar Lal Mehta, a successful textile business owner in Surat, is working tirelessly to fulfil his son's dream of becoming a doctor.

But things weren't always so hopeful and bright when Tarun faced a loss of ₹ 27 Lakhs in his new business venture. Refusing to give up, he turned to IIFL Finance for a gold loan to start over.

The funding helped Tarun get back on track financially, but that was not all. As his success showed promise for further growth, he took a business loan to expand and turn his and his family's dreams into reality.

- Affordable Home Loans **40%**
- MSME Loans **18%**
- Gold Loans **27%**
- Microfinance **13%**

# AFFORDABLE HOME LOANS

IIFL Finance, through its subsidiary, IIFL Home Finance Limited, is committed to promoting homeownership among underserved segments by offering affordable housing finance solutions. Backed by an extensive phygital network and a profound understanding of customer requirements, the company ensures seamless, inclusive, and efficient access to formal housing credit. It primarily serves first-time homebuyers from the economically weaker sections and low-income group segments, with a strong emphasis on non-metro and semi-urban regions.

# KEY DEVELOPMENTS DURING FY 2024-25

## STRONG LOAN GROWTH

Retail home loan assets grew by 15% Year-on-Year to ₹ 31,588 Crores as of March 31, 2025.

## CONTINUED MARKET LEADERSHIP

Maintained leadership as India's leading housing finance company in the sub-₹ 20 Lakhs ticket size segment.

## SOLID ASSET QUALITY

Maintained stable asset quality metrics, with GNPA at 1.4% for FY 2024-25.

## STRENGTHENED FUNDING BASE

During FY 2024-25, the Company raised ₹ 1,700 Crores, of which ₹ 1,200 Crores was toward regular refinancing. Liberalized Refinance Scheme- PSL funding stood at ₹ 500 Crores with the aim to provide refinance assistance in respect of eligible individual housing loans.

**₹ 31,588 Crores**
Total Assets Under Management

**₹ 8,205 Crores**
Disbursement during 2024-25

**₹ 15.35 Lakhs**
Portfolio average ticket size

**2,34,625**
Total customers

As on March 31, 2025

# WAY FORWARD

## TARGETING 15–18% AUM GROWTH

In FY 2025-26, driven by focused expansion in the sub-₹ 20 Lakhs ticket size, particularly in non-metro and underserved geographies.

# GOLD LOANS

Our Company offers small-ticket, short-duration gold loans, providing individuals and small businesses with immediate access to liquidity against their gold jewellery. Backed by a pan-India network of over 2,833 branches, IIFL Finance ensures swift, transparent, and digitally enabled disbursals. To further enhance customer convenience, we also offer a 'Gold Loan at Home' service—delivering a secure, paperless, and hassle-free loan experience right at the customer's doorstep, eliminating the need to visit a branch. Designed to meet the financial needs of underserved communities, the gold loan offering strengthens economic resilience by providing timely credit support.

## KEY DEVELOPMENTS DURING FY 2024-25

### RBI LIFTS OPERATIONAL RESTRICTION

The Reserve Bank of India lifted the regulatory embargo on gold loan disbursements in September 2024, following the successful implementation of corrective measures by IIFL Finance, enabling our Company to resume normal operations and rebuild growth momentum.

### STRONG RECOVERY POST-EMBARGO

Following the lifting of RBI's embargo, we rapidly revived our gold loan business, demonstrating strong customer loyalty and operational resilience.

### FOCUS ON COMPLIANCE AND RISK MITIGATION

Post-embargo, our Company enhanced risk governance, audit mechanisms, and auction protocols to align closely with RBI's regulations.

### SHARP AUM RECOVERY POST-EMBARGO

Gold loan AUM surged 40% quarter-on-quarter in Q4 FY25, rebounding to ₹ 21,022 Crores. This highlights the strong brand franchise and customer stickiness post-compliance correction.

### EMPLOYEE RETENTION AMIDST DISRUPTION

Despite operational disruptions during the embargo period, Our Company maintained full workforce stability, undertaking no layoffs, salary reductions, or branch closures, reaffirming our commitment to employee welfare and organizational resilience.

**₹ 21,022 Crores**
Total Assets Under Management (AUM)

**₹ 25,363 Crores**
Disbursement during 2024-25

**Fully paperless process**
100% gold loan disbursals through tablets and mobile app

**13,31,657**
Total customers

As on March 31, 2025

## WAY FORWARD

### TARGET 25–30% AUM GROWTH

We aim to grow our gold loan book by 25–30% in FY 2025-26, driven by increased operational efficiency, and deep customer engagement.

# MSME LOANS

We provide secured and unsecured business loans to self-employed individuals, micro-business owners, and small and medium-sized enterprises (MSMEs). Focused on empowering businesses across urban and semi-urban regions, our Company offers timely financing solutions for working capital, business expansion, and asset creation, backed by a robust underwriting framework and tech-enabled processes. Our Company leverages advanced data analytics, proprietary apps, and fintech partnerships to deliver fully paperless, cash-flow backed loans with instant approvals and seamless disbursals. With a strong emphasis on speed, convenience, and rigorous risk management, IIFL Finance's digital lending platform enables underserved businesses to access timely credit, fostering entrepreneurial growth and supporting financial inclusion.

## KEY DEVELOPMENTS DURING FY 2024-25

### STEADY GROWTH IN AUM

The MSME loans portfolio grew by 18% YoY to reach ₹ 14,185 Crores as of March 31, 2025.

### OPERATIONAL RESILIENCE

Despite a challenging macro environment, MSME loans demonstrated portfolio stability with consistent collections.

### STRATEGIC PIVOT

In response to regulatory disruption in the gold loan segment, IIFL Finance pivoted its focus to MSME lending (including supply chain finance), disbursing ₹ 9,430 Crores in new MSME loans during the year.

**₹ 14,185 Crores**
Total Assets Under Management

**Digitally enabled process**
Instant In-Principle approvals and tech-integrated customer journeys

## WAY FORWARD

### LEVERAGING MSME REACH

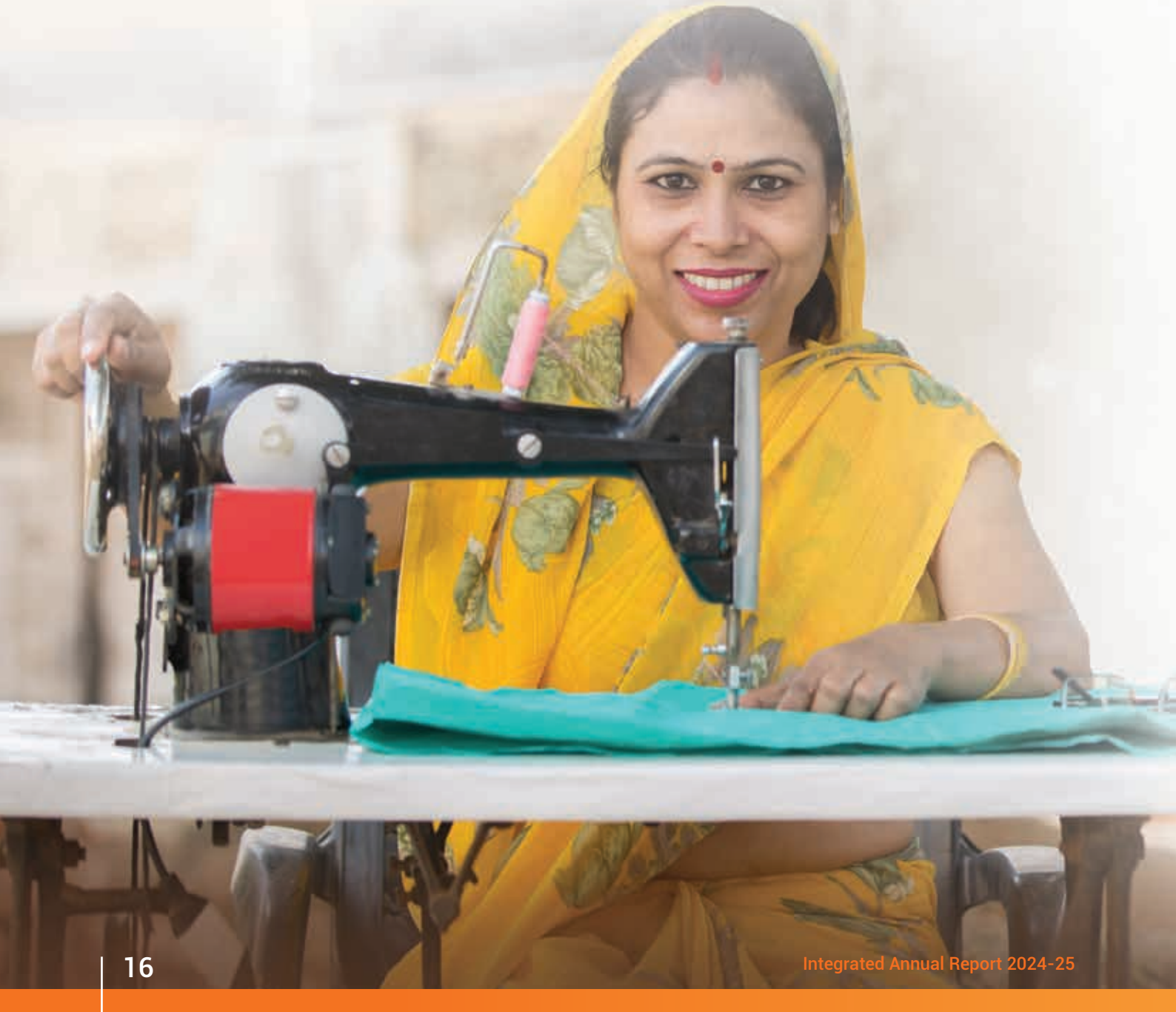
Focus on leveraging presence across tier II and III cities to address the growing credit needs of micro and small enterprises.

### PRODUCT INNOVATION

Introduce tailored lending products for service-based micro-enterprises, especially women-led ventures and Udyam-registered businesses.

# MICROFINANCE

IIFL Finance, through its subsidiary IIFL Samasta Finance Limited, offers microfinance solutions to women entrepreneurs across rural and semi-urban India. Focused on providing small-ticket, income-generating loans under the Joint Liability Group (JLG) model, the Company enables self-employment, supports community development, and promotes financial inclusion. With a strong on-ground presence and an increasingly digital delivery model, IIFL Finance is committed to fostering sustainable livelihoods and empowering underserved segments of the society.



# KEY DEVELOPMENTS DURING FY 2024-25

## PORTFOLIO REALIGNMENT

The microfinance AUM stood at ₹ 9,859 Crores, witnessing a strategic recalibration and a 25% YoY decrease to prioritize asset quality.

## STABLE ASSET QUALITY IN A VOLATILE YEAR

GNPA contained at 4.8%, amidst unprecedented operational disruptions and borrower stress.

**₹ 9,859 Crores**
Total Assets Under Management

**₹ 6,112 Crores**
Disbursement during 2024-25

**97.9%**
Women borrowers

**27,29,751**
Active microfinance customers

As on March 31, 2025

# WAY FORWARD

## STRATEGIC PORTFOLIO REBALANCING

Gradually moderate the microfinance's share in the overall loan portfolio to 8–10% over the next year (FY 2025-26) balancing growth with asset quality.

## STRENGTHENING RISK MANAGEMENT

Intensify borrower profiling, early-stage delinquency tracking, and credit discipline to safeguard portfolio performance.

IIFL FINANCE

CHAIRPERSON'S MESSAGE

# LETTER FROM THE CHAIRPERSON'S DESK

**About 84% of our branches are in non-metro areas and cater to the underserved populace of the country, taking formal credit deeper into the hinterlands of India. 91.27% of our unsecured MSME digital loans given are of less than ₹ 1 Million, breathing life into small ventures, propelling them toward greatness.**

## Dear Stakeholders,

It is my privilege to present to you IIFL Finance's Integrated Annual Report for FY 2024–25. This has been a year of transformation, learning, and resolute action—one that truly embodies our theme, Stronger after the Storm. The regulatory intervention on our gold loan business in March 2024 tested our agility, integrity, and institutional maturity. While the Reserve Bank of India's embargo temporarily restrained us from disbursing new gold loans, it also served as a critical opportunity to recalibrate our approach to risk and compliance.

We met the moment with urgency, clarity, and integrity—swiftly enacting corrective measures, elevating our internal systems, and recalibrating our priorities to meet the demands of the future. The completion of the special audit and our return to regular operations stand as a testament to our unwavering commitment to regulatory compliance.

More than a course correction, this journey has been a catalyst—fortifying our foundations, sharpening our focus, and igniting a renewed determination to build back better. We emerged more resilient, more responsible, and more deeply aligned with our enduring mission: to expand the reach of financial inclusion and create lasting impact for the communities we serve.

At the heart of our mission lies a deep commitment to broadening the reach of organized lending across the country. Our Company started with the dedication to serving the underserved—those often left behind by traditional financial systems—through an inclusive suite of loan products tailored to real, everyday needs. About 93% of our loans are for productive purposes, empowering borrowers to invest in their futures—funding home construction or repairs, educating their children, supporting agricultural activity, or fueling the growth of small businesses and service enterprises. We walk shoulder-to-shoulder with MSMEs, the backbone of India's employment engine, through agile, tech-driven lending solutions. In our journey spanning three decades, we have touched the lives of more than 8 Million customers, most of whom have been grassroots economy builders.

Currently, about 86% of our customers are from the economically weaker section, with annual income of ₹ 0-3 Lakhs. They now dare to dream big and pursue aspirations once thought out of reach. For many, our support has meant liberation from the exploitative grip of informal moneylenders, offering a path to dignity, stability, and financial empowerment. With all our wheels spinning and engine roaring, we are ready to accelerate innovation and drive forward at full speed. We continue to actively support the resilient and rising credit demand of India's small businesses—driven by

the same mission that has guided us from the start: to democratize access to finance and build a more inclusive economy. About 84% of our branches are in non-metro areas and cater to the underserved populace of the country, taking formal credit deeper into the hinterlands of India. 91.27% of our unsecured MSME digital loans given are of less than ₹ 1 Million, breathing life into small ventures, propelling them toward greatness.

## Macro landscape: A pillar of support

India is undergoing a paradigm shift—one that goes beyond cyclical economic growth and instead embraces structural transformation. The national aspiration of Viksit Bharat 2047, aimed at shaping India into a developed economy, is built on four foundational pillars: inclusive development, digital empowerment, world-class infrastructure, and sustainable livelihoods. These priorities are steadily reshaping the contours of the financial ecosystem.

In this long-term journey, financial inclusion is not just a policy goal—it is a strategic imperative. As the nation accelerates its push towards formalization of and equitable access to credit, NBFCs and microfinance institutions have emerged as critical enablers. Their ability to serve those traditionally overlooked by mainstream financial systems—such as small traders, self-employed individuals, women entrepreneurs, and informal households—makes them vital partners in India's developmental blueprint.

## Our performance: Strengthening core, reviving momentum

FY 2024–25 was a year of reflection and realignment. Against the backdrop of regulatory intervention in our gold loan business, our overall growth remained subdued. The Company's consolidated AUM declined marginally by 1%, reflecting the temporary pause in gold loan disbursements for a significant part of the year.

Despite this softness in topline metrics, our balance sheet remained fundamentally strong. Asset quality was well contained, with Gross NPA at 2.2% and Net NPA at 1.0%, underscoring the effectiveness of our credit and risk management frameworks. Liquidity buffers were maintained at prudent levels throughout the year, ensuring seamless operations and the ability to meet all financial obligations with confidence.

Encouragingly, the second half of the year marked a turning point. With the embargo lifted and corrective actions firmly in place, business momentum improved across key segments. Disbursements gathered pace in home loans, MSME finance, digital lending, and gold loans—driven by renewed customer confidence, enhanced governance protocols, and the disciplined execution of our branch-led model.

This performance highlights the underlying resilience of our model and the agility of our teams. With stronger institutional focus, tighter controls, and restored momentum, we are well poised to return to a trajectory of sustainable growth in the coming year.

## Our ESG commitment: Responsible growth, inclusive impact

We continued to advance our ESG agenda with a long-term, institution-wide perspective. On the environmental front, we accelerated paperless operations, energy-efficient practices, and green loan offerings—aligning with our commitment to responsible lending and climate-conscious growth. Socially, our focus on inclusive development remained strong. We retained our entire workforce through the year, despite operational disruptions, reaffirming our belief in protecting livelihoods. Through our flagship CSR initiative Sakhiyon Ki Baadi, we continued to empower out-of-school girls in Rajasthan with access to basic numeracy and literacy skills, and life skills. On governance, we responded to regulatory expectations with urgency and transparency—further strengthening our internal controls and assurance frameworks. As we look ahead, our ESG commitments will remain central to how we grow—with integrity, inclusivity, and long-term impact.

## Closing thoughts: The road ahead

Resilience, reflection, and purposeful transformation have defined our recent journey. The challenges we navigated have not only strengthened our institutional core but also reinforced our commitment to ethical governance, stakeholder trust, and inclusive finance. We emerge from this phase more agile, more focused, and more aligned with our mission to empower underserved communities through responsible lending.

With the reinstatement of our gold loan business and strong momentum across MSME, housing, and digital lending segments, we enter FY 2025–26 with renewed confidence. Backed by strengthened compliance, enhanced operational discipline, and robust customer demand, we are targeting a return to double-digit AUM growth. Our strategic imperatives are clear—drive sustainable expansion, deepen customer reach, and deliver long-term value with accountability and purpose.

As I prepare to retire, I reflect with gratitude on the 17 years I have had the privilege to serve IIFL Finance. It has been a distinct opportunity to contribute to our shared vision and witness our growth and achievements first-hand. I am proud of the progress we have made together and confident that the strong foundation we have built will support continued success in the future. My best wishes to Nirmal, Venkat and team IIFL Finance for the future. I extend my heartfelt thanks to the board, management, staff, and stakeholders for their unwavering support throughout my tenure. I look forward to seeing this great organization flourish in the years ahead. .

Warm Regards,

**A. K. Purwar**
**Chairperson and Non-Executive Director**

IIFL FINANCE

MD'S MESSAGE

# MANAGING DIRECTOR'S COMMUNIQUE

**Our credit ratings remained AA (Stable) from CRISIL, reflecting the resilience of our balance sheet and the strength of our fundamentals. Our shareholders reaffirmed their confidence by fully subscribing to our ₹ 1,272 Crores rights issue, bolstering capital at a critical juncture.**

## Dear Stakeholders,

FY 2024–25 will be remembered as a defining chapter in the journey of IIFL Finance—a year of turbulence, tenacity, and transformation. The theme of this Annual Report—"Stronger After the Storm"—reflects not only the external challenges we weathered, but also the deep reserves of resilience we uncovered within.

### Weathering a perfect storm

We encountered a confluence of unprecedented disruptions: a regulatory embargo on our gold loan business, systemic stress in the microfinance sector, an exceptional provision related to our AIF investment, and an extensive income tax search across offices and homes of key personnel. These events tested the very core of our institution. Yet, through it all, we remained steadfast—anchored in our values, powered by our people, and guided by our belief in India's regulatory framework and long-term potential.

### A principled and decisive response

When the Reserve Bank of India imposed temporary restrictions on our gold loan operations, we acted with urgency, transparency, and responsibility. We engaged constructively with the regulator, conducted a rigorous root cause analysis, and implemented robust internal and external audit frameworks. Our systems and controls were recalibrated to ensure full compliance with regulatory expectations.

Importantly, we stood by our people—no branches were shut, no employees were laid off, and no salaries were cut. As disbursements resumed with enhanced safeguards and greater transparency, we recovered lost momentum within just 2-3 months.

Our microfinance subsidiary also came under pressure due to sector-wide external shocks, resulting in elevated provisions and temporary losses in the second and third quarters. Yet, even during this period, we remained true to our mission—supporting vulnerable borrowers with empathy and flexibility. Our conservatively built balance sheet absorbed the impact and safeguarded the long-term sustainability of the business.

As we navigated these disruptions, an income tax search was initiated across the group. We extended full cooperation to authorities, providing complete access to records and systems. IIFL has always upheld the highest standards of compliance, governance, and transparency—and we remain firmly committed to these principles.

## Performance rebounds as the storm subsides

As the saying goes, "every storm runs out of wind", the second half of the year saw a strong resurgence in performance:

- Profit After Tax for FY25 stood at ₹ 578 Crores
- Q4 PAT grew by 208% quarter-on-quarter
- Gold loan AUM rose 40% quarter-on-quarter
- Gross NPA improved to 2.2%
- AUM grew 10% sequentially in Q4, with strong momentum across business lines

Our credit ratings remained AA (Stable) from CRISIL, reflecting the resilience of our balance sheet and the strength of our fundamentals. Our shareholders reaffirmed their confidence by fully subscribing to our ₹ 1,272 Crores rights issue, bolstering capital at a critical juncture.

Beyond the numbers, FY25 was a year of internal renewal. We streamlined operations, fortified our governance framework, upgraded our risk architecture, and realigned our strategy for long-term, sustainable growth.

## Building for the future

As we step into FY26, our focus is on acceleration and innovation. We are investing meaningfully in AI-powered credit models, predictive risk engines, compliance automation, and fully digital customer journeys. These are not incremental improvements—they are foundational enablers of the future of finance.

We are also scaling our MSME and small business lending platform—an engine of inclusive growth and national resilience. Leveraging our pan-India branch network, advanced technology stack, and deep customer insights, we aim to build a high quality, scalable lending franchise serving India's entrepreneurial backbone.

## A tribute to Mr. Arun Purwar

This year also marks the retirement of our Chairman, Mr. A. K. Purwar, after more than 17 years of extraordinary service. His wisdom, integrity, and strategic guidance have shaped our institution and strengthened our governance. During the RBI embargo, he stood by the Company with calm leadership and unshakeable support. While he now steps down from formal responsibilities, he remains a mentor, guide, and source of inspiration. On behalf of the entire IIFL family, I extend our heartfelt gratitude and deepest respect.

## Governance before growth

If one principle has defined our journey this year, it is this: Governance before Growth. At IIFL, we believe that sustainable growth must be rooted in integrity, transparency, and regulatory alignment. Growth is vital—but only when built on the foundations of trust and long-term purpose.

Amidst the disruptions, our ESG initiatives continued undeterred. Our flagship education program reached over 32,000 girl children in Rajasthan's rural districts, alongside other impactful interventions in water access, women's empowerment, and skill development. Remarkably, during the embargo, our employees voluntarily took on additional responsibilities to contribute more—demonstrating the true spirit of IIFL.

## Stronger. Sharper. Clearer.

FY 2024-25 was not just a storm—it was a crucible. Moreover, we have emerged from it stronger, sharper, and more focused. Our foundation is more resilient, our leadership more aligned, and our strategy clearer than ever.

To our customers, regulators, investors, and employees—thank you. Your trust has been our anchor in turbulent times. As we move ahead, that trust remains our greatest asset—and our most solemn responsibility.

Warm regards,

**Nirmal Jain**
**Managing Director**
**IIFL Finance**

CREATING VALUE FOR STAKEHOLDERS

# EMERGED STRONGER BY CREATING SUSTAINED VALUE

## CUSTOMERS

Through our diverse financial offerings, we are committed to empowering individuals and businesses that have historically remained underserved. Our focus extends to first-time borrowers, self-employed individuals, small businesses, and women entrepreneurs, helping them transition from informal credit sources to formal financial systems.

**4.5 Million**
Total customer base

**4,900+**
Branches

**99% of total AUM**
Retail loan portfolio

**28%**
Women borrowers in gold loans

**61%**
Loans given to female owners/co-owners

**27.3 Lakh+**
Women entrepreneurs supported via microfinance

## EMPLOYEES

We are deeply committed to fostering a culture built on fairness, integrity, and transparency, providing our people with opportunities for continuous learning, growth, and well-being.

Through leadership programs, skills development, wellness initiatives, and an inclusive environment, we empower our employees to grow as owners of the business.

**38,723**
Total employees

**11,39,552**
Total training hours

**₹ 1,889 Crores**
Employee cost

**1,372**
Employee engagement events conducted

## COMMUNITIES

Through the IIFL Foundation, our CSR initiatives span across Health, Education & Environment, Livelihood, and Poverty Alleviation (HELP). We work closely with marginalized communities, focusing particularly on empowering women and promoting education among the underprivileged. Our programs are designed to create sustainable impact, promote financial inclusion, and improve quality of life. Our subsidiaries – IIFL Home Loans and IIFL Samasta Finance also have their own CSR initiatives, further strengthening IIFL's collective contribution to social development.

**₹ 42 Crores**
CSR spends

**3,81,269***
Total CSR beneficiaries

**Two**
Aspirational districts covered through IIFL Foundation's CSR programs

*IIFL Foundation beneficiaries 2,33,118, IIFL Home Finance (excluding CSR beneficiaries from IIFL Foundation projects) 1,872 and IIFL Samasta Finance beneficiaries 1,46,279 during the year.

## INVESTORS

With a clear commitment to long-term value creation, our Company remains focused on delivering sustainable returns to investors through strong governance, prudent risk management, and consistent financial performance. Supported by a resilient business model, marquee global investors, and high credit ratings, we continue to drive growth, maintain robust asset quality, and strengthen our position in India's dynamic financial sector.

**0.9%**
Return on Assets

**₹ 578 Crores**
Profit After Tax

**3.4%**
Return on Equity

**29.0%**
Capital Adequacy Ratio

## GOVERNMENT AND REGULATORY BODIES

We maintain an unwavering commitment to regulatory compliance, governance excellence, and ethical business conduct. We actively engage with regulators to align our operations with evolving regulatory frameworks and foster financial inclusion. Our robust risk management processes, transparent disclosures, and continuously strengthening internal controls make us resilient and future-ready.

**Unwavering commitment to regulatory compliance**

## BUSINESS PARTNERS/ SUPPLIERS

We are committed to building fair, transparent, and enduring relationships based on trust, mutual growth, and responsible practices. We prioritize ethical procurement, encourage MSME participation, and engage with partners who align with our governance, sustainability, and operational excellence standards.

**40%**

Procurement from MSMEs (% of total procurement)*

## BANKERS AND LENDERS

With a well-diversified borrowing profile, disciplined risk management, and a consistent record of financial prudence, we continue to maintain the trust of leading banks, financial institutions, and global investors. A robust liquidity position, high credit ratings, and transparent engagement practices enable us to secure funding efficiently.

* On a standalone basis

IIFL FINANCE

OUR STRENGTHS

# RESILIENT ACROSS STORMS

## DIVERSIFIED PRODUCT PORTFOLIO CATERING TO A WIDE CUSTOMER BASE

We offer a comprehensive range of secured and unsecured lending products, including home loans, gold loans, business loans, microfinance, MSME secured loans, MSME unsecured loans, supply chain finance, construction and real estate finance and capital market financing. These products are tailored to meet the needs of diverse customer segments—from salaried individuals and self-employed professionals to micro-entrepreneurs and rural borrowers. This broad portfolio enables us to expand our reach, mitigate asset concentration risk, and maintain a steady income mix across market conditions.

**Impact**

- Broader outreach
- PSL alignment
- Reduced asset concentration risk

## DIVERSIFIED FUNDING SOURCES AND STRONG CREDIT PROFILE

We access funding through a healthy mix of public and private sector banks, development finance institutions, securitization, and capital markets. We have successfully raised long-term debt and equity capital over the years. Our credit ratings—AA/Stable by CRISIL and ICRA—reflect our robust financial position and prudent liability management.

**Impact**

- Expanding with financial prudence
- Resilient during volatility

## SUSTAINED ASSET QUALITY

Our asset quality is underpinned by our rigorous credit underwriting practices, customized risk-based pricing, and disciplined collections. With approximately 80.5% of our loan book backed by tangible security, we have maintained a GNPA of 2.2% and NNPA of 1.0% as of March 31, 2025, demonstrating strong portfolio resilience across economic cycles.

**Impact**

- Strong risk-adjusted returns
- Consistent portfolio health across cycles

## STRONG PHYSICAL AND DIGITAL FOOTPRINT

With a presence in 28 states and union territories through over 4,900+ branches and service points, our widespread physical infrastructure is augmented by our digital capabilities. Our branch-led sourcing, supported by tech-driven customer onboarding and servicing, allows us to deliver loans efficiently even in rural and semi-urban areas, creating a competitive advantage in last-mile credit delivery.

**Impact**

- Enables efficient last-mile credit delivery
- Enhances customer acquisition in underserved geographies

## ROBUST BRAND EQUITY SUPPORTED BY SEASONED MANAGEMENT TEAM

Our strong brand recall is built on our long-standing track record in retail lending and a commitment to ethical practices. The business is guided by a leadership team with decades of domain expertise across lending, risk, operations, and compliance. Their strategic oversight and agility have helped us navigate evolving regulatory frameworks and grow responsibly.

**Impact**

- Strategic agility
- Best-in-class execution across business cycles

## ROBUST SYSTEMS WITH A STRONG FOCUS ON DIGITALIZATION

We leverage end-to-end digital platforms across origination, underwriting, disbursal, and collections. This includes data-driven decision-making, AI-enabled credit assessment, and real-time monitoring tools that enhance efficiency, reduce turnaround time, and elevate overall customer experience. Strategic partnerships with fintechs further enable innovation and scalability.

**Impact**

- Reinforces institutional credibility
- Ensures strategic continuity
- Fosters stakeholder trust

### Randheer Singh: Turning gold into growth

Randheer Singh Gorarandhawaa, a determined business owner from Punjab, has been shaping his dreams into reality with unwavering dedication and hard work.

His entrepreneurial journey began with limited means—but a strong will to succeed. In the early phase of his business, Randheer faced a common yet crucial challenge—insufficient funds to match the pace of growing demand.

But instead of slowing down, he chose to step up. On the suggestion of a family member, he explored a practical solution: a gold loan. He discovered IIFL Finance and understood the process. He understood how an instant gold loan here could help him with the capital boost he needed. Randheer believes that when you invest in your business at the right time, it rewards you manifold. His journey is a reflection of courage, calculated risks, and smart financial decisions.

# VALUE CREATION MODEL

## KEY DEVELOPMENTS DURING FY 2024-25

### Inputs

**Financial Capital**
Pool of monetary resources

- ₹ 65,023.00 Crores — Capital Employed
- ₹ 84.90 Crores — Equity
- ₹ 13,954.97 Crores — Net Worth
- ₹ 51,068.03 Crores — Total Borrowings

**Physical Capital**
Tangible and intangible assets and resources directly utilized in our Company's operations

- 4,906 — Branches
- ₹ 84.90 Crores — Equity
- Dedicated Infrastructure — For secure gold storage
- Phygital Model — Combines physical presence with advanced digital tools

**Intellectual Capital**
Intangible assets that accentuate our credibility

- Scorecard based underwriting models
- ISO 27001 & ISO 22301 Certifications — Robust information security and business continuity

**Human Capital**
Empowered people driving enduring business value

- 38,723 — Total employees
- 11,39,552 — Total training hours
- 200+ — Targeted training programs
- 1,372 — Employee engagement events

**Social and Relationship Capital**
Deepening stakeholder trust through responsible and inclusive partnerships

- ₹ 42.20 Crores — CSR spends
- 28 — CSR initiatives implemented by IIFL Foundation

**Natural Capital**
Responsibilities towards conserving the natural resources

- Optimum water usage
- Efficient waste management
- Achieved LEED — Gold Certification for Gurugram office
- Bamboo-based — products introduced in Mumbai office

### Value creation process

#### Key product offerings

- Home Loans
- Microfinance Loans
- Gold Loans
- Loan Against Property (LAP)
- MSME Loans
- Co-Lending Products

#### Strategic priorities

- S1 — Address growing financial needs in underserved markets
- S2 — Build capacity and grow customer base through retail focus and geographic expansion
- S3 — Strengthen performance by fortifying our operating processes and risk management
- S4 — Continue to invest in digitalization and technology to reduce costs and improve efficiency
- S5 — Ensure effective asset-liability management, diversify borrowing sources and strengthen our credit profile
- S6 — Capital-optimized, value-innovation driven strategy

#### Sustainability pillars

- Financial stability
- Positive environmental impact
- Inclusive growth
- A winning workplace

| Outputs | Outcomes | SDGs Impacted |
|---|---|---|
| ₹ 10,237.07 Crores Total Income<br>₹ 578.1 Crores PAT (Pre-NCI)<br>3.4% ROE<br>0.9% ROA<br>₹ 9.07 Basic EPS<br>Credit Ratings: CRISIL AA/Stable Long-term rating<br>CRISIL A1+ Short-term rating | ▷ Asset quality maintained<br>▷ Adequate liquidity buffer sustained<br>▷ Capital adequacy well above norms | 8 |
| 4.5 Million+ Customers served | ▷ Deep geographic reach enabling last-mile credit delivery<br>▷ Financial inclusion for underserved and rural customers<br>▷ Enhanced customer confidence | 8, 9 |
| 100% paperless loan disbursements<br>Faster credit decisioning with reduced turnaround time (TAT)<br>IIFL Loan: Gold & Business Loan — Play Store rating 4.6 App Store: 4.5 | ▷ Reduced onboarding time<br>▷ Early fraud detection, improved portfolio quality, and regulatory alignment<br>▷ Protected data integrity and customer trust amid rising digital risk | 8, 9 |
| Ranked among Top 25 Best Workplaces in India's BFSI sector | ▷ Attrition rate reduced from 42% to 36% YoY due to targeted engagement and retention initiatives.<br>▷ Great Place to Work Certification achieved for the 7th consecutive year<br>▷ Stronger leadership pipeline, resulting from targeted programs<br>▷ Improved workplace inclusivity and belonging, through focused DEI initiatives like Shakti Express | 3, 4, 5, 8, 10 |
| 3,81,269 Lives benefited | ▷ Uplifting underserved community<br>▷ Widened impact through co-lending partnerships<br>▷ Strengthened customer trust and loyalty | 1, 3, 4, 5, 8, 10, 16, 17 |
| Savings under IGBC preliminary certified/ certified projects under management<br>24,317 MWh energy saved through GVP<br>1,401 ML of water savings<br>22,371 $tCO_2e$ GHG emissions offset | ▷ Improved energy efficiency<br>▷ Transition toward cleaner energy<br>▷ Water conservation and reuse<br>▷ Reduced environmental footprint via digitalization<br>▷ Increased sustainability awareness<br>▷ High ESG rating | 6, 11, 12, 13 |

# STAKEHOLDER INTEREST FIRST

To us, stakeholder engagement is the foundation of our sustained success and growth. Engagement with a diverse spectrum of stakeholders helps cultivate deep relationships with them. By actively involving each group in our initiatives and strategic direction, we align our interests, develop trust-based relationships, and enhance transparency. These interactions allow us to gain a deeper understanding of their expectations, concerns, and priorities, enabling us to adapt and meet their evolving needs effectively. Furthermore, they enhance our ability to respond to market shifts, manage risks effectively, and seize new opportunities while creating enduring value for all.

| | Customers | Investors/ Shareholders | Employees |
|---|---|---|---|
| Stakeholder classification | Individuals<br>SMEs<br>Start-ups and entrepreneurs<br>Corporations<br>Retailers and merchants<br>Real estate developers and investors<br>Women borrowers<br>Government and public sector entities | Mutual funds<br>AIFs<br>Banks<br>Insurance companies<br>FPIs<br>Promoters<br>Individual shareholders and bodies corporate | Permanent employees<br>Other than permanent employees |
| Expectations | Bespoke financial products and services<br>Competitive interest rates<br>Access to physical and digital channels<br>Seamless customer service<br>Secure transactions<br>Fair and responsive grievance redressal mechanism | Ethical business practices and good corporate governance<br>Regular dividends<br>Sustainable performance and value creation<br>ESG integration into strategy and operations<br>Transparent reporting and disclosure | Training and development<br>Fair and timely remuneration<br>Reward, recognition, and performance appreciation<br>Diverse, open, non-discriminatory, and safe working environment<br>Work-life balance |
| Key Capitals impacted | | | |

# STAKEHOLDER ENGAGEMENT PROCESS

1. Execute stakeholder engagement plans
2. Understand stakeholder expectations and aspirations
3. Communicate insights gained from stakeholder discussions to make necessary updates
4. Monitor progress and report back to stakeholders on the fulfillment of their needs

| Communities/ NGOs | Government/ Regulators | Business Partners/ Suppliers | Bankers/ Lenders |
|---|---|---|---|
| ▷ Local communities<br>▷ Marginalized communities<br>▷ CSR beneficiaries<br>▷ Girls and women belonging to vulnerable segments of society | ▷ Local, State, and Central Governments<br>▷ Regulatory bodies such as RBI and SEBI, among others | ▷ Banks<br>▷ Fintech partners<br>▷ Other financial institutions/ intermediaries | ▷ Public sector banks<br>▷ Private banks |
| ▷ Social upliftment<br>▷ Enhancing financial literacy<br>▷ Community welfare initiatives | ▷ Compliance with laws and regulations<br>▷ Ethical business conduct<br>▷ Active participation in industry and regulatory working groups | ▷ Fair and ethical engagement practices | ▷ Timely servicing of debt<br>▷ Sustainable growth<br>▷ Transparent and fair reporting and disclosures<br>▷ Strong corporate governance practice |

# STAKEHOLDER ENGAGEMENT CHANNELS

| | Customers | Investors/Shareholders | Employees | Communities/NGOs | Government/Regulators | Business Partners/Suppliers | Bankers/Lenders | |
|---|---|---|---|---|---|---|---|---|
| Multi-channel communication | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | Multi-channel communication |
| Social media communication | ☑ | ☑ | ☑ | ☑ | | | | Social media communication |
| Marketing campaigns | ☑ | | | | | | | Marketing campaigns |
| Customer satisfaction surveys | ☑ | | | | | | | Customer satisfaction surveys |
| Annual and quarterly investor meetings and conference calls | | ☑ | | | | | | Annual and quarterly investor meetings and conference calls |
| Investor presentations | | ☑ | | | | | | Investor presentations |
| Annual General Meeting | | ☑ | | | | | | Annual General Meeting |
| Grievance channels | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | Grievance channels |
| Annual Reports/ Sustainability Reports/Written communications | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | Annual Reports/ Sustainability Reports/Written communications |
| Townhalls | | | ☑ | | | | | Townhalls |
| Meetings | ☑ | | ☑ | ☑ | ☑ | ☑ | ☑ | Meetings |

| | Customers | Investors/Shareholders | Employees | Communities/NGOs | Government/Regulators | Business Partners/Suppliers | Bankers/Lenders | |
|---|---|---|---|---|---|---|---|---|
| Online modules for upskilling | | | ☑ | | | | | Online modules for upskilling |
| Engagement initiatives | ☑ | | ☑ | | | | | Engagement initiatives |
| Digital applications for employees and collection officers | | | ☑ | | | | | Digital applications for employees and collection officers |
| Performance appraisals | | | ☑ | | | | | Performance appraisals |
| Financial inclusion and literacy initiatives | ☑ | | | ☑ | | | | Financial inclusion and literacy initiatives |
| CSR initiatives | | | | ☑ | | | | CSR initiatives |
| Employee volunteering | | | | ☑ | | | | Employee volunteering |
| Mandatory regulatory filings | | | ☑ | | ☑ | | | Mandatory regulatory filings |
| Periodical submission of business performance | | ☑ | | | ☑ | | ☑ | Periodical submission of business performance |
| Seminars/ Workshops | | | ☑ | | | | | Seminars/ Workshops |
| Annual lenders' meeting | | | | | | | ☑ | Annual lenders' meeting |

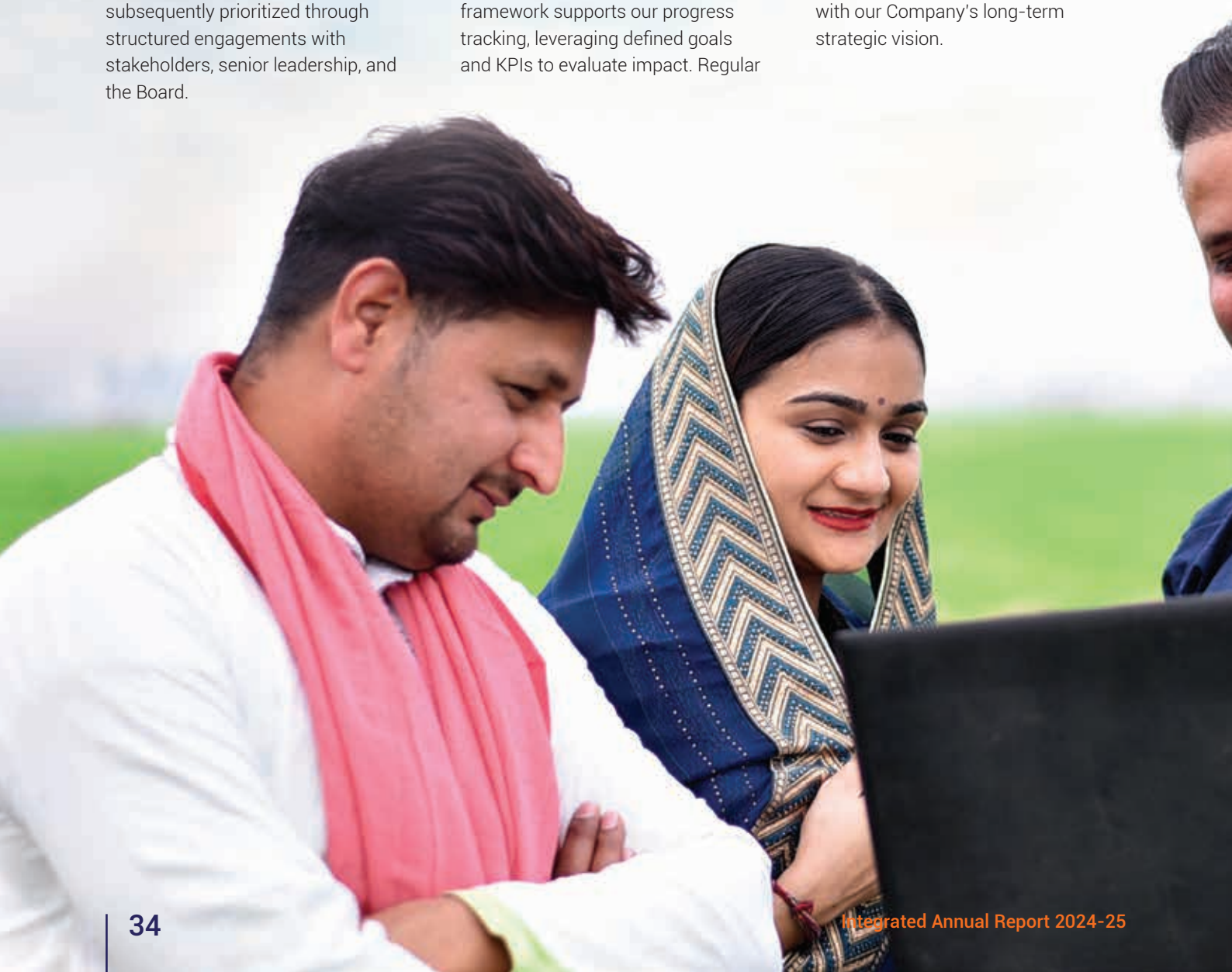
MATERIALITY ASSESSMENT

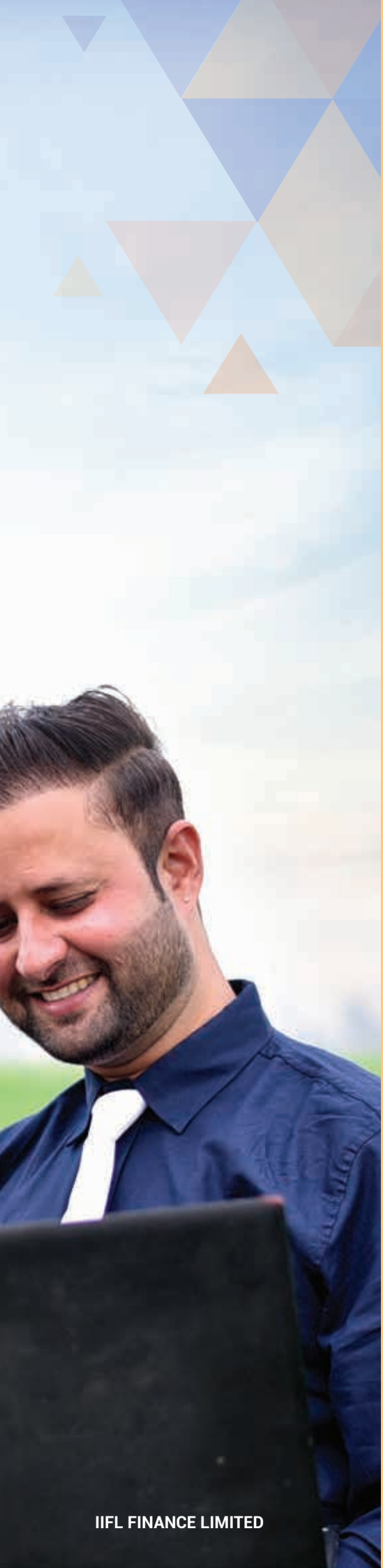
# FOCUSING ON WHAT MATTERS MOST

During FY 2023-24, we conducted our second materiality assessment to prioritize the most important areas for channeling our resources and making strategic alignments. This exercise enabled us to determine priority areas where our strategic efforts and resource allocations would yield the greatest impact. It focused on identifying the most significant economic, environmental, and social impacts—both actual and potential—including those related to human rights.

The assessment adhered to the GRI Standards 2021 and was enriched by insights from global benchmarks such as SASB and MSCI, ensuring relevance to our business model. Key material topics were shortlisted through comparative analysis and subsequently prioritized through structured engagements with stakeholders, senior leadership, and the Board.

Post this exercise, the scope of our material priorities has broadened to include human rights, diversity and inclusion, and customer financial protection—reflecting our growing commitment to responsible business practices. A robust monitoring framework supports our progress tracking, leveraging defined goals and KPIs to evaluate impact. Regular reviews facilitate early identification of gaps and corrective actions. Lessons learned—especially the need for data-centric governance and sustained stakeholder dialogue—are actively embedded into our operating procedures, reinforcing alignment with our Company's long-term strategic vision.





# MATERIALITY DETERMINATION PROCESS

## IDENTIFY

Material priorities that positively or negatively impact our performance and stakeholders through an assessment of key sectoral trends, risks, opportunities and peer benchmarking.

### This identification was based on:

- Global and domestic industry research
- Peer benchmarking and external reporting trends
- Risk registers, regulatory trends, and sustainability developments
- Engagement with customers, employees, investors, regulators, and communities

Material priorities were identified based on the significance of their impacts, determined through internal stakeholder engagement, considering both their relevance to stakeholders and their influence on our business performance.

## PRIORITIZE

### Identified issues were prioritized based on:

- The significance of their impacts through internal stakeholder engagemen, considering their relative importance to stakeholders and their impact on our business performance
- The extent of their potential economic, environmental, social, and governance impacts

## INTEGRATE

Integrate these priorities into our strategy, develop KPIs and monitor our performance

The prioritized material topics were embedded into our strategic framework.

- This integration helps align business priorities with sustainable value creation

| Material priorities | Relevant stakeholders | Description of impact | FY 2024-25 performance | UNSDGs impacted |
|---|---|---|---|---|
| Corporate Governance and Ethics | | Strong governance and ethical conduct ensure stakeholder trust, business resilience, and regulatory compliance. | ▸ Strengthened Board oversight<br>▸ Enhanced governance frameworks | 16 |
| Financial inclusion and literacy | | Expanding access to affordable financial services promotes social equity and strengthens economic participation. | ▸ Expanded affordable loan offerings<br>▸ Financial literacy outreach programs<br>▸ Enhanced digital access in rural areas | 1, 10 |
| Employment practices | | Fair, inclusive, and progressive employment practices drive workforce productivity, retention, and brand reputation. | ▸ Increased training hours<br>▸ Improved gender diversity<br>▸ New employee engagement initiatives | 5, 8 |
| Data and customer privacy | | Safeguarding customer data enhances trust, regulatory compliance, and mitigates operational risks. | ▸ Strengthened cybersecurity infrastructure<br>▸ Conducted privacy audits<br>▸ Enhanced customer data protection frameworks | 9, 16 |
| Customer satisfaction | | High customer satisfaction drives loyalty, brand equity, and sustainable revenue growth. | ▸ Favorable Net Promoter Scores (NPS)<br>▸ Enhanced grievance redressal systems<br>▸ Expanded customer service capabilities | 9 |
| Regulatory compliance | | Proactive compliance reduces legal risks and ensures operational stability and stakeholder confidence. | ▸ Unwavering commitment to regulatory compliance<br>▸ Successful completion of regulatory inspection and audits | 16 |
| Digitalization | | Digital platforms enhance customer reach, operational efficiency, and service excellence. | ▸ Expanded digital loan origination<br>▸ Improved mobile app capabilities<br>▸ Increased digital transaction volumes | 9 |
| Responsible lending | | Ethical lending practices ensure financial protection for customers and long-term portfolio quality. | ▸ Strengthened underwriting standards<br>▸ Enhanced customer affordability assessments<br>▸ Improved financial awareness among borrowers | 10 |
| Community development | | Community investment supports inclusive growth and strengthens social capital. | ▸ Expanded CSR initiatives across focus areas of HELP | 1, 3, 4, 5 |

Customers | Investors/ Shareholders | Employees | Communities/ NGOs

| Material priorities | Relevant stakeholders | Description of impact | FY 2024-25 performance | UNSDGs impacted |
|---|---|---|---|---|
| Risk management | | Robust risk frameworks safeguard financial health, operational resilience, and stakeholder interests. | ▷ Strengthened Three Lines of Defense model<br>▷ Enhanced risk monitoring<br>▷ Improved stress-testing capabilities | 9, 10 |
| Engagement with business partners | | Transparent and fair engagement fosters supply chain reliability and business sustainability. | ▷ Strengthened supplier engagement policies<br>▷ Enhanced ESG alignment in procurement practices | 17 |
| Diversity and inclusion | | Inclusive practices drive innovation, employee engagement, and social equity. | ▷ Improved female participation in workforce<br>▷ Introduced diversity and sensitivity training initiatives for employees | 5, 10 |
| Responsible marketing | | Ethical marketing ensures customer trust, brand reputation, and regulatory adherence. | ▷ Strengthened transparency in product communication and compliance with marketing standards | 16 |
| Customer financial protection | | Protecting customers' financial interests builds trust, reduces grievances, and ensures regulatory compliance. | ▷ Enhanced customer grievance mechanisms<br>▷ Promoted clear and transparent loan terms<br>▷ Strengthened borrower protection initiatives | 9 |
| Human rights | | Upholding human rights promotes dignity, fairness, and social responsibility across operations and value chains. | ▷ Reinforced employee rights policies<br>▷ Extended human rights due diligence across suppliers<br>▷ Zero tolerance for discrimination or forced labor | 10 |
| Climate change and GHG emissions | | Addressing climate risks supports environmental stewardship and enhances long-term resilience. | ▷ Increased funding of green housing projects<br>▷ Expanded energy-efficient initiatives across operations | 6, 7, 13 |
| Resource management | | Responsible resource use minimizes environmental impact and supports sustainable growth. | ▷ Implemented resource conservation measures<br>▷ Promoted digitalization to reduce paper usage<br>▷ Initiated sustainable office practices | 12 |

Government/ Regulators

Business Partners/ Suppliers

Bankers/Lenders

RISK MANAGEMENT

# BUILT ON PRUDENCE, POWERED BY VIGILANCE

Risk management forms the backbone of IIFL Finance's pursuit of sustainable growth. Our approach is holistic and forward-looking, enabling early identification and mitigation of risks spanning financial, operational, regulatory, and reputational areas. By embedding risk awareness into every layer of our operations, we safeguard business continuity, reinforce institutional resilience, and create long-term value for all stakeholders.

# THREE LINES OF DEFENCE MODEL

Our risk management is deeply embedded in our organizational culture and operational fabric. We diligently monitor and manage potential threats to ensure business resilience amid evolving uncertainties. Our approach prioritizes compliance with regulatory requirements and global best practices, while promoting a strong culture of risk awareness and accountability across all levels of the organization. Through proactive identification and mitigation of risks, we safeguard stakeholder interests and support our long-term growth trajectory.

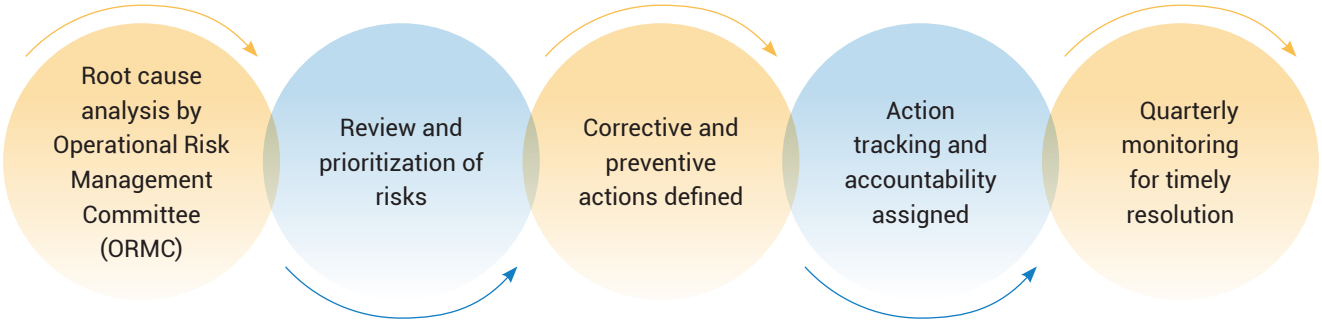
To institutionalize this approach, we have adopted the 'Three Lines of Defence' model. This structured framework delineates clear roles and responsibilities to ensure comprehensive risk oversight:

| Line of Defence | Responsibility |
|---|---|
| 1st Line | Business & Operational Management – Own and manage risks |
| 2nd Line | Risk & Compliance – Oversight, guidance and support |
| 3rd Line | Internal Audit – Independent assurance |

## OPERATIONAL RISK GOVERNANCE: STRUCTURED. ACCOUNTABLE. PREVENTIVE.

IIFL Finance's operational risk governance is not reactive—it is preventative, structured, and deeply embedded in our culture of accountability. Anchored by a proactive review system, we ensure that risks are not only identified and mitigated, but also transformed into opportunities for improvement. With dedicated oversight bodies, clearly defined responsibilities, and real-time reporting mechanisms, we drive operational integrity and organizational resilience.

# QUARTERLY OPERATIONAL RISK OVERSIGHT



## PROCESS DISCIPLINE

Standard Operating Procedures (SOPs) and Risk Control Self-Assessment (RCSAs) reviewed and approved annually

* Institutionalized departmental ownership of controls

## DEPARTMENTAL OWNERSHIP

Each department appoints a Nodal Officer responsible for:

- Reporting incidents
- Supporting root cause analysis
- Driving corrective actions

## RISK CAPTURE MECHANISM

Incident & loss reporting systems in place capture RCAs, corrective/ preventive actions, responsible persons, and closure timelines

| Risk | Risk description and impact on our business | Key mitigating actions | Opportunities |
|---|---|---|---|
| Credit Risk | Risk of borrower default causing financial loss and asset quality deterioration. | Credit approval committees, ECL models, continuous portfolio reviews, credit concentration limits, and scorecards. | Improved underwriting can enhance asset quality, enable product customization, and support prudent growth. |
| Fraud Risk | Internal or external fraudulent activities leading to financial and reputational loss. | Fraud Risk Management framework, Dedicated Internal Fraud Unit, surveillance systems, employee background checks, and periodic fraud control audits. | Technology-led monitoring and training can build stakeholder confidence and reduce systemic vulnerabilities. |
| Operational Risk | Loss from failed internal processes, people or systems affecting service continuity. | ORMC reviews, SOPs, incident tracking systems, business continuity plans, and RCSAs. | Strong operational resilience enhances customer trust and regulatory credibility. |
| Collection Risk | Inability to recover dues from customers affecting cash flow and asset quality. | Dedicated collections team, bureau tie-ups, automated triggers, and performance monitoring. | Data-driven collection models can enhance recovery and customer profiling. |
| Market Risk | Exposure to adverse movements in interest, exchange, or equity rates impacting returns. | Board-approved hedging policies, stress testing, and sensitivity analysis. | Efficient hedging supports stable margins and capital protection. |
| Liquidity Risk | Shortage of liquid funds to meet liabilities leading to default or distress. | ALCO oversight, diversified funding, liquidity stress tests, and matched asset-liability maturity. | Strong ALM framework supports scalable and sustainable growth. |

| Risk | Risk description and impact on our business | Key mitigating actions | Opportunities |
|---|---|---|---|
| Legal Risk | Losses due to non-compliance with contracts, regulations or legal disputes. | Legal empanelment, structured case tracking, and proactive provisioning. | Proactive governance strengthens stakeholder confidence. |
| Compliance Risk | Non-adherence to laws, regulations or standards leading to penalties or sanctions. | Unwavering commitment to regulatory compliance, continual stakeholder engagement and sensitization. | Strong compliance culture builds long-term institutional reputation. |
| Reputation Risk | Negative public perception affecting customer and investor trust. | Transparent communication, fair practices, and social media monitoring. | Consistent trust and credibility foster brand loyalty. |
| Information Technology Risk | Failure of IT systems can lead to business disruption and data loss. | Disaster recovery protocols, redundancy systems, and constant IT infrastructure upgrades. | Investments in IT can boost customer satisfaction and operational agility. |
| Cyber Risk | Cyberattacks can compromise data privacy, cause financial losses, and regulatory penalties. | Multi-layered cybersecurity defenses, real-time threat monitoring, and a dedicated incident response team to quickly identify and address cyber threats | Strong cybersecurity fosters digital trust and supports digital expansion. |
| Outsourcing Risk | Dependence on third parties may lead to service disruptions or data breaches. | Vendor Management and Resilience Framework, Due diligence, vendor rating, SLAs, periodic vendor audits | Efficient outsourcing can optimize costs and enhance capabilities. |
| People/ Conduct Risk | Unethical or non-compliant behavior by employees impacting reputation and governance. | Ethics training, whistleblower policies, and conduct reviews. | Strong conduct culture nurtures integrity and performance-driven environment. |
| Environment Social Governance (ESG) Risk | Exposure to environmental, social, and governance issues may affect sustainability and compliance. | Green lending, ESG awareness drives, CSR programs, and regulatory reporting. | Alignment with ESG enhances long-term value and stakeholder trust. |

MARKET OPPORTUNITY

# RIDING THE WAVE OF FINANCIAL INCLUSION

## UNDERSERVED MSME SECTOR

India's MSME sector continues to face significant credit access challenges. In the MSME landscape, despite contributing around 30% to India's GDP and employing over 110 million individuals, a significant credit gap remains. According to NITI Aayog (2024), only 19% of MSME credit demand was met by formal financial channels, leaving an estimated ₹ 80 Lakh Crores gap.

This substantial credit gap presents a compelling opportunity for NBFCs like IIFL Finance to expand their reach by offering tailored, tech-enabled lending solutions.

**19%**
MSME credit demand addressed through formal channels

**Source:** MSME credit rises to 20%, $94.92 bn gap remains: NITI Aayog - Fibre2Fashion

## BANK-NBFC PARTNERSHIP MODEL

The Bank–NBFC co-lending model offers NBFCs like IIFL Finance a scalable opportunity to expand credit delivery without significantly increasing balance sheet risk. According to RBI data, co-lending portfolios between banks and NBFCs have grown substantially, with public sector banks' exposure crossing ₹ 11,497 Crores in FY 2023-24. This model allows NBFCs to leverage their reach into underserved markets while banks provide low-cost capital—creating a win-win for credit expansion.

**₹ 11,497 Crores**
Public sector banks' exposure in co-lending with NBFCs in FY 2023–24 (RBI data)

**Source:** Co-lending expands MSME credit | Grant Thornton Bharat

## ROBUST WORKING CAPITAL DEMAND

India's corporate sector is poised for substantial growth, with Moody's estimating that 16 of the 23 rated non-financial companies will require between US$ 70–100 Billion annually over the next two years. This capital is earmarked for capacity expansion, inorganic growth, refinancing, working capital needs, and shareholder payments. The surge in capital requirements is driven by strong consumption growth, high-capacity utilization, and ongoing infrastructure investments. NBFCs having a diversified lending portfolio and deep market penetration, are well-positioned to meet this escalating demand.

**US$ 70–100 Billion**
Annual capital required by non-financial companies over the next 2 years (Moody's)

## UNDER-PENETRATION OF GOLD LOANS, HOUSING LOANS AND MICROFINANCE

India's secured and inclusive finance segments remain significantly under-penetrated. The organized gold loan market stood at ₹ 7.1 Lakh Crores in FY 2023-24, with a penetration of just 5.6% despite widespread household gold ownership. In housing finance, individual loans touched ₹ 33.5 Lakh Crores by Q2 FY25, but regional disparities—particularly in Eastern and rural India—highlight untapped demand. Similarly, the microfinance sector serves over 6.6 Crores unique borrowers, yet remains underserved in tier-III and IV markets. NBFCs having deep rural reach and proven expertise across all three segments are strongly positioned to scale lending in these high-potential categories through a compliance-first, tech-enabled approach.

**Source:** Striking gold: The rise of India's gold loan market
Housing loans outstanding stood at ₹ 33.53 trillion at Q2FY25: NHB | Business Standard
MFI Pulse Report - 21st Edition

**₹ 7.1 Lakh Crores**
Organized gold loan market size in FY2023-24

**5.6%**
Penetration of gold loans despite widespread gold ownership

**₹ 33.5 Lakh Crores**
Outstanding individual housing loans as of Q2 FY25

## GROWING DIGITALIZATION AND ANALYTICS

India's digital lending landscape is undergoing a transformative shift, with projected disbursements expected to reach ₹ 47.4 Trillion by FY 2025-26 . This growth is fueled by increased smartphone penetration, enhanced digital literacy, and the integration of advanced technologies such as AI-driven credit scoring and real-time analytics. Robust digital infrastructure and data-driven approach help differentiate NBFCs who can capitalize most on this evolution.

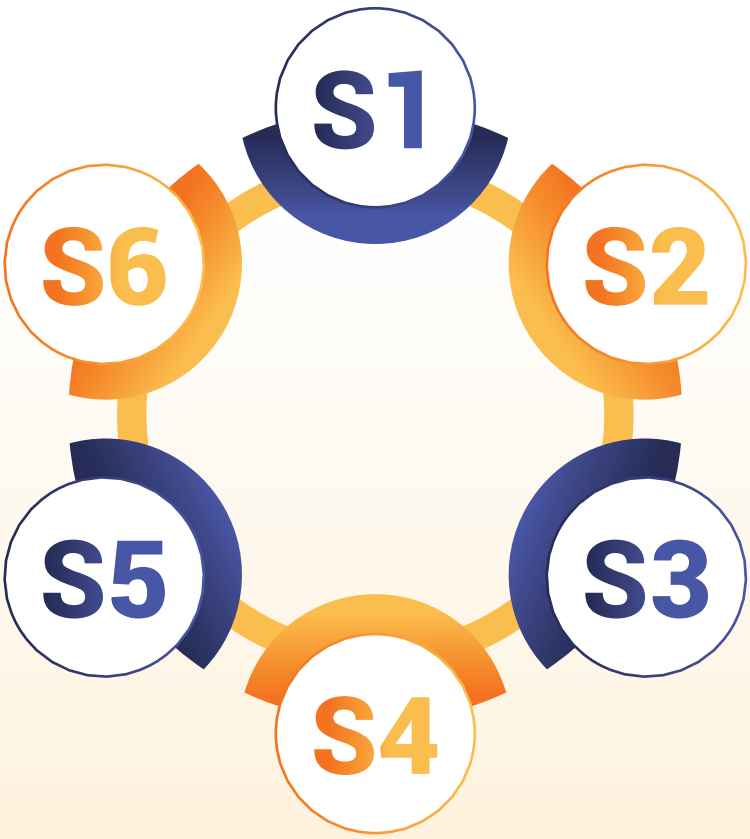
**Source:** Capital requirements will remain high for Indian companies: Moody's | Business Standard)

**₹ 47.4 Trillion**
Projected digital lending disbursements in India by FY 2025–26

IIFL FINANCE

OUR STRATEGIC PRIORITIES

# FORGING GROWTH THROUGH STRATEGIC FOCUS



## ADDRESS GROWING FINANCIAL NEEDS IN UNDERSERVED MARKETS

S1

Right since our inception, we have focused on bridging the credit gap by providing inclusive, affordable lending solutions to financially excluded and underbanked segments across India. This approach aligns with our Company's mission to foster financial inclusion through our diversified product portfolio and extensive distribution network.

### MATERIAL PRIORITIES

- Financial inclusion and literacy
- Responsible lending
- Customer satisfaction
- Customer financial protection
- Regulatory compliance
- Community development

### KEY KPI'S

**84%**

Branches in non-metro areas, catering to the underserved

## BUILD CAPACITY AND GROW CUSTOMER BASE THROUGH RETAIL FOCUS AND GEOGRAPHIC EXPANSION

S2

Our Company aims to scale its customer base by deepening its retail presence and expanding into new geographies. By leveraging its diversified loan portfolio—spanning home loans, gold loans, MSME, and microfinance—our Company seeks to capitalize on underserved demand across urban, semi-urban, and rural markets. A data-driven branch expansion approach and strengthened last-mile delivery enable risk diversification and long-term growth.

### MATERIAL PRIORITIES

- Financial inclusion and literacy
- Customer satisfaction
- Responsible lending
- Regulatory compliance
- Digitalization
- Community development

### KEY KPI'S

**105**

New branches added

## STRENGTHEN PERFORMANCE BY FORTIFYING OUR OPERATING PROCESSES AND RISK MANAGEMENT

S3

Our Company's focus remains on embedding operational discipline and risk resilience across the organization. Through strengthened governance, enhanced process controls, and an enterprise-wide risk management framework, we aim to deliver consistent performance while safeguarding stakeholder interests. Emphasis remains on digitalizing operations, improving internal controls, and proactively managing regulatory expectations.

### MATERIAL PRIORITIES

- Risk management
- Regulatory compliance
- Corporate Governance and Ethics
- Digitalization
- Customer financial protection
- Responsible lending

### KEY KPI'S

**2.2%**
GNPA

**1.0%**
NNPA

**3**
Risk Committee meetings held

**100%**
Provision Coverage Ratio (PCR)

## CONTINUE TO INVEST IN DIGITALIZATION AND TECHNOLOGY TO REDUCE COSTS AND IMPROVE EFFICIENCY

S4

Our Company continues to prioritize end-to-end digitalization to drive agility, improve customer experience, and optimize operational efficiency. By investing in proprietary platforms, automation tools, and data-led credit decisioning, we aim to streamline loan journeys, enhance risk control, and support scalable growth.

### MATERIAL PRIORITIES

- Digitalization
- Data and customer privacy
- Regulatory compliance
- Risk management
- Customer satisfaction
- Employment practices
- Responsible lending
- Corporate Governance and Ethics

## ENSURE EFFECTIVE ASSET-LIABILITY MANAGEMENT, DIVERSIFY BORROWING SOURCES AND STRENGTHEN OUR CREDIT PROFILE

S5

IIFL Finance focuses on maintaining strong liquidity, a diversified funding base, and a stable credit profile to support growth and resilience. The Risk Management Committee and ALCO, comprising senior leadership, regularly monitor asset-liability alignment and liquidity risk through periodic reviews. As a non-deposit taking NBFC with a varied loan portfolio, our Company actively works to minimize mismatches across maturity buckets.

### MATERIAL PRIORITIES

- Risk management
- Regulatory compliance
- Corporate Governance and Ethics
- Financial inclusion and literacy
- Responsible lending

### KEY KPI'S

**AA/Stable**
Credit rating

**8**
Institutional investors

## CAPITAL-OPTIMIZED, VALUE-INNOVATION DRIVEN STRATEGY

S6

Our Company aims to achieve scale with minimal balance sheet stress by leveraging a capital-light approach through co-lending, direct assignments, and fintech collaborations. We partnered with banks to enhance credit reach while optimizing cost of capital and maintaining strong credit performance. The model enables rapid, sustained growth while ensuring superior capital efficiency.

### MATERIAL PRIORITIES

- Engagement with Business Partners
- Responsible lending
- Digitalization
- Risk management
- Regulatory compliance
- Customer financial protection

### KEY KPI'S

**29.9%**
of AUM off-book (co-lending + assignments)

IIFL FINANCE

SHOWCASING RESILIENCE DURING HEADWINDS

# STANDING TALL THROUGH CHALLENGING TIMES

During the year, we encountered a critical regulatory challenge that tested the strength of our Company's governance, and operations. Despite headwinds, our Company stood firm—anchored by its commitment to transparency, business continuity, and stakeholder trust. What could have been a setback became a catalyst for reflection, improvement, and long-term strengthening of systems and values.

## CHALLENGES

In FY 2023-24, RBI imposed regulatory restrictions on IIFL Finance's gold loan disbursements due to certain process-level deviations in the gold loan vertical. This action followed supervisory observations relating to documentation, storage, and other operational aspects of gold loan management.

The restrictions resulted in a temporary halt in our Company's ability to extend new gold loans, which impacted disbursement volumes within that business segment during the period. Given the strategic importance of gold loans in our Company's overall retail portfolio, the development required immediate attention to compliance, process governance, and stakeholder assurance.

## OUR RESPONSE

- Fully cooperated with the Reserve Bank of India
- Facilitated a comprehensive audit-led by an RBI-appointed Special Auditor to review gold loan operations in detail
- Commissioned an internal audit by a global Big Four firm to assess and strengthen internal systems and process adherence
- Conducted a thorough root cause analysis to identify operational gaps and improve process discipline across the gold loan vertical
- Implemented corrective actions, including strengthened documentation practices, enhanced vault security, and revised standard operating procedures
- Upgraded internal control and compliance monitoring frameworks to ensure alignment with regulatory expectations
- Reinforced a compliance-first approach across teams through re-training and process realignment initiatives

# BUSINESS CONTINUITY DURING THE RESTRICTION PERIOD

## EMPLOYEE RETENTION

Maintained complete workforce stability with no layoffs, salary cuts, or branch closures, demonstrating strong commitment to employee well-being even during regulatory disruptions

## CUSTOMER RELATIONS

Maintained transparent communication with gold loan customers, enabling the orderly liquidation of over 60% of assets and the safe return of jewellery to 1.2 Million customers—preserving trust and strengthening long-term relationships

## BANK AND LENDER RELATIONS

Timely repayments of over US$ 2.2 Billion were ensured to banking partners, reinforcing our Company's strong repayment discipline and credibility. Also, proactively engaged with banking partners and NBFC lenders to share audit outcomes, regulatory updates, and operational readiness.

## INVESTOR CONFIDENCE

Maintained consistent communication with key investors and analysts through timely disclosures and strategic updates. This proactive engagement was instrumental in reinforcing investor confidence, with prominent institutional investor Fairfax reaffirming its trust by participating in both equity and bond issuances post-embargo.

## CAPITAL AND LIQUIDITY

Maintained strong liquidity and further strengthened our capital position by raising US$ 152 Million through a fully subscribed rights issue and securing an additional US$ 1.1 Billion in funding—ensuring uninterrupted operations and reflecting continued investor confidence in our Company.

## CREDIT RATING

Maintained AA credit rating (CRISIL) throughout the restriction period with no downgrade, reflecting robust capitalization and confidence in the governance and remedial actions undertaken.

## ECONOMIC

## ENVIRONMENTAL

01

02

## SOCIAL

## GOVERNANCE

# 03

# 04

# ECONOMIC

EFFICIENT CAPITAL MANAGEMENT

# POWERING PROGRESS THROUGH FINANCIAL EXCELLENCE

We maintain a robust foundation driven by efficient capital management, diversified funding sources, and disciplined asset-liability alignment. Our strong balance sheet, consistent business performance, and stable credit ratings reflect our ability to support sustainable growth, manage risk effectively, and generate long-term value for stakeholders. We continue to optimize our capital structure while ensuring adequate liquidity to navigate dynamic market conditions.

## Key challenges

- RBI-imposed restriction on gold loan disbursements affected a key revenue stream
- Volatility in funding environment and rising interest rates
- Investor and lender confidence during regulatory scrutiny
- Managing short-term asset-liability mismatches
- Balancing capital adequacy amid expanding loan book

## Our response

- Maintained business continuity across other verticals; preserved liquidity and raised capital through a fully subscribed rights issue
- Diversified borrowing sources through co-lending, securitization, and long-term debt; optimized cost of funds
- Maintained transparent communication; attracted continued support from marquee investors like Fairfax and retained stable credit ratings
- Regular ALCO reviews and strong ALM policy helped ensure positive liquidity gaps across key buckets
- Strengthened capital base through equity infusion and prudent risk-weighted asset management

**3.4%**
ROE

**2.2%**
GNPA

**29%**
Capital Adequacy Ratio

**₹ 78,341 Crores**
Assets Under Management

**₹ 10,237 Crores**
Total Income

**₹ 578 Crores**
PAT

## Components of financial excellence

- Capital adequacy
- Diversified funding
- Liquidity management
- Operational efficiency
- Strong asset quality

## Stakeholders impacted

- Investors/ Shareholders
- Bankers/ Lenders
- Government/ Regulators

## Consistent business performance

- Prudent strategies
- Lending efficiency

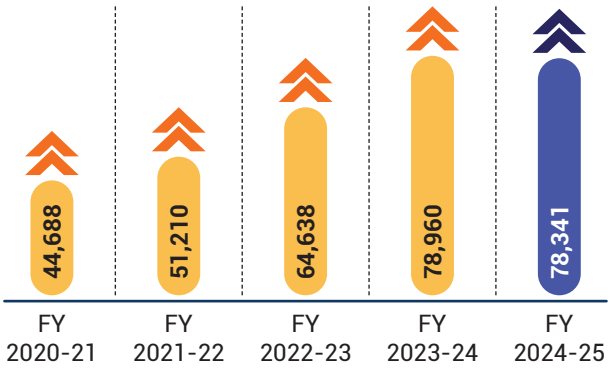
## Material priorities

- Risk management
- Regulatory compliance
- Corporate governance and ethics
- Responsible lending
- Customer financial protection
- Digitalization

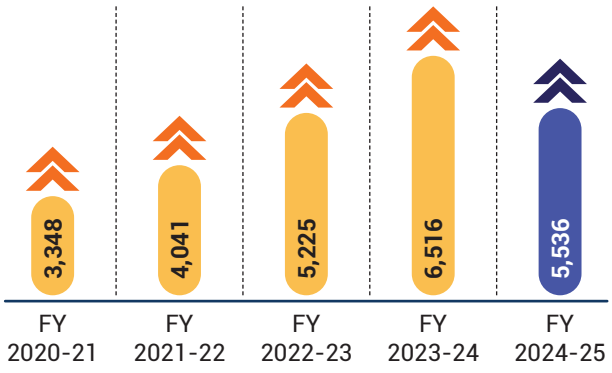
## UNSDGs impacted

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▷ Raised US$ 152 Million via fully subscribed rights issue<br>▷ Secured US$ 1.1 Billion in additional liquidity to support business continuity | ▷ Strengthen balance sheet through continued capital optimization and cost-effective funding<br>▷ Deepen co-lending partnerships to support asset-light growth |
| **S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency | ▷ Raised US$ 425 Million (₹ 3,650 Crores) through a Medium-Term Note (MTN) dollar bond issuance<br>▷ Mobilized ₹ 1,500 Crores via domestic NCDs and ₹ 2,800 Crores in fresh term loans from bank | ▷ Maintain robust ALM practices to manage interest rate and liquidity risks<br>▷ Focus on improving RoE and reducing cost-to-income ratio through operational efficiency |
| **S5** Ensure effective asset-liability management, diversify borrowing sources and strengthen credit profile | ▷ Maintained a positive ALM gap across key tenors through regular ALCO oversight<br>▷ Preserved AA credit rating, reflecting strong capital buffers and repayment discipline | ▷ Uphold rating stability through disciplined financial governance and compliance-first approach |
| **S6** Capital-optimized, value-innovation driven strategy | ▷ Successfully managed funding despite regulatory headwinds in the gold loan business | |

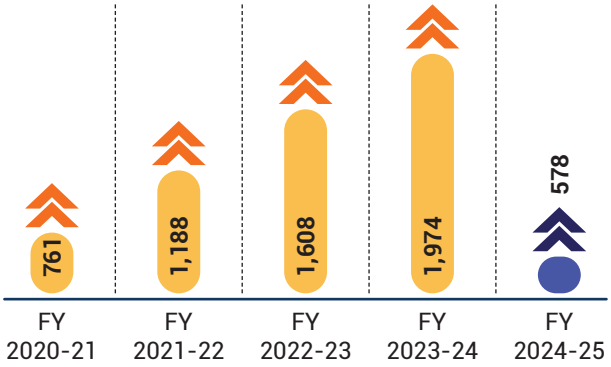
**Assets Under Management** (₹ in Crores)



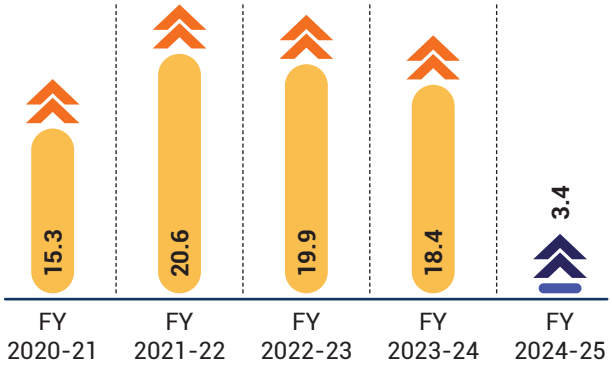

**Income** (₹ in Crores)



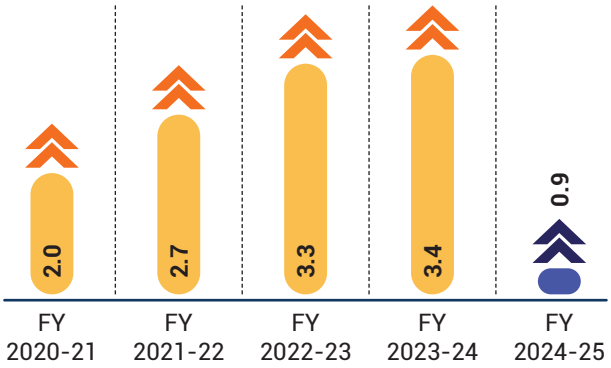
**Profit After Tax**
(before Non-controlling interest) (₹ in Crores)



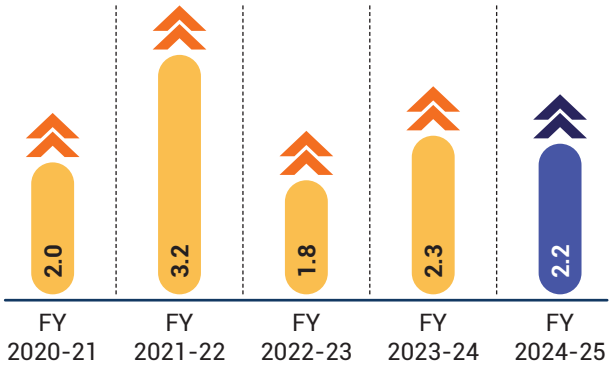

**Return on Equity** (%)



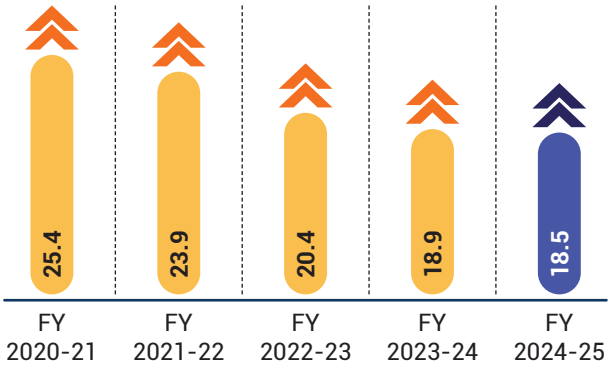

**Return on Assets** (%)



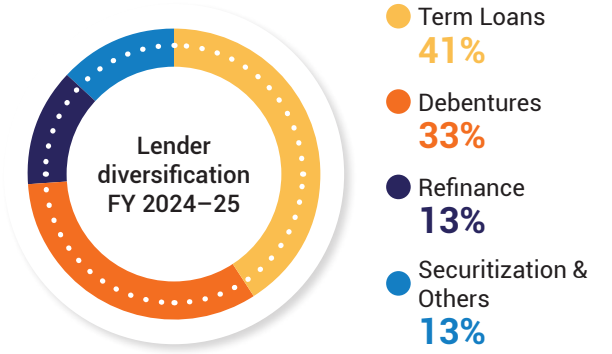

**Gross Non-Performing Assets** (%)




**Capital Adequacy Ratio** (%)




**Lender diversification** (%)




## Economic performance

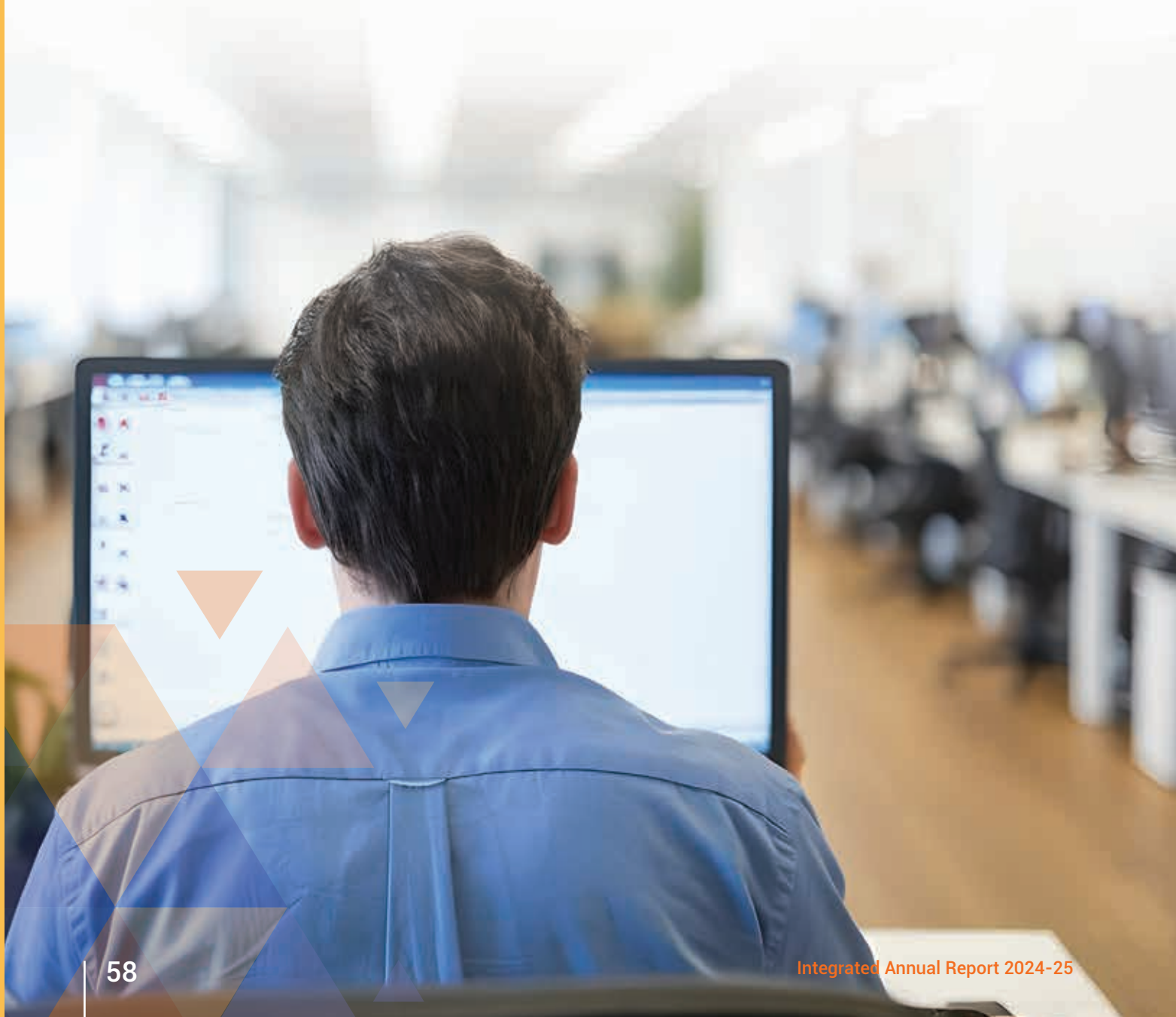
(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Direct economic value generated: Revenues | 10,237.07 | 10,490.47 |
| **Economic value distributed** | **9,658.91** | **8,698.49** |
| Operating costs | 7,599.10 | 6,202.54 |
| Employee wages and benefits | 1,888.77 | 1,684.85 |
| Payments to providers of capital (dividends) | - | 182.24 |
| Payments to the Government (taxes) | 128.85 | 597.69 |
| Community investments (CSR) | 42.20 | 31.17 |
| **Economic value retained** | **578.16** | **1,791.98** |

OUR INFRASTRUCTURE

# A NETWORK BUILT FOR NATIONWIDE IMPACT

IIFL Finance's extensive physical infrastructure forms the backbone of its customer outreach and service delivery model. With a wide network of branches, service points, and field personnel across urban and rural markets, our Company ensures last-mile connectivity and accessibility for underserved segments. This physical presence, integrated with digital platforms, enhances operational efficiency, supports business scalability, and strengthens trust across stakeholder groups.



## Key challenges

- High cost of branch operations in remote and low-density regions
- Maintaining standardized service quality across a large and geographically diverse network
- Infrastructure scalability while ensuring operational efficiency
- Risk of under-utilization in maturing or saturated markets
- Physical asset maintenance and compliance with safety and regulatory standards

## Our response

- Adopted a phygital strategy—integrating digital tools with branch-led service delivery to reduce cost and enhance reach
- Implemented performance analytics to optimize location-wise productivity
- Standardized branch-level SOPs and customer experience protocols to ensure uniform service delivery
- Leveraged data analytics to identify underperforming branches and re-deploy resources effectively
- Strengthened audit, security, and infrastructure checks to ensure regulatory compliance and operational safety

## Components of operational assets

- Branches and loan processing centers
- Vault infrastructure for gold loan operations
- Investment in digital infrastructure
- Field mobility devices & support tools

## Stakeholders impacted

- Customers
- Employees
- Business Partners/ Suppliers
- Government/ Regulators

## Leveraging physical infrastructure

- Branch expansion
- Phygital integration
- Vault upgradation
- Process standardization
- Infrastructure optimization
- Regulatory compliance
- Service accessibility

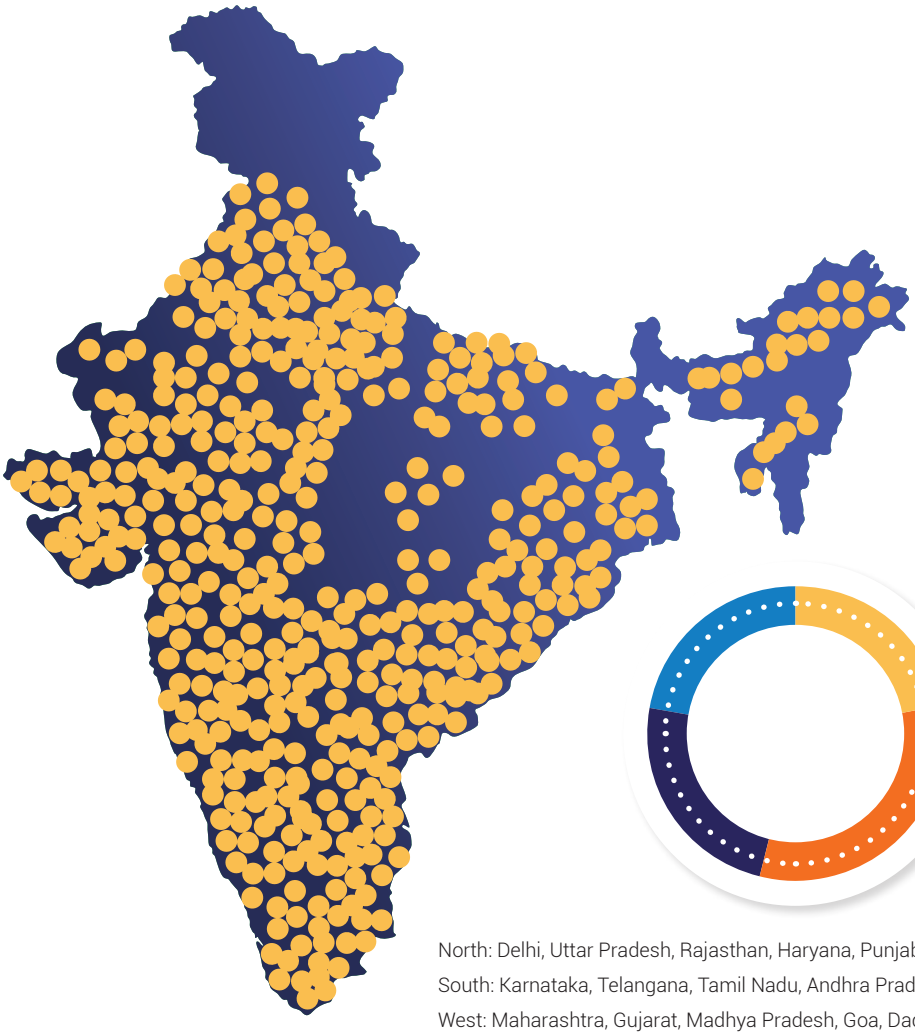
## Material priorities

- Risk management
- Regulatory compliance
- Customer satisfaction
- Resource management
- Data and customer privacy

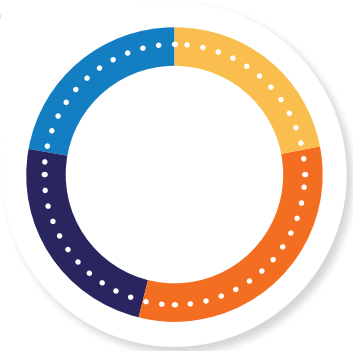
## Commitments to UNSDGs

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S1** Address growing financial needs in underserved markets | ▷ Expanded to 4,900+ branches across 28 states and UTs | ▷ Continue branch rationalization and expansion based on demand analytics |
| **S2** Build capacity and grow customer base through retail focus and geographic expansion | ▷ Integrated digital tools at physical branches to improve customer onboarding and servicing | ▷ Invest in smart infrastructure and digital mobility tools |
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▷ Upgraded vault infrastructure and SOPs post regulatory reviews<br>▷ Standardized branch-level processes to ensure consistent service delivery | ▷ Focus on seamless digital-physical integration to reduce cost and enhance scalability<br>▷ Strengthen infrastructure compliance and safety standards |

# OUR PRESENCE



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.



- North 22%
- West 24%
- South 32%
- East 22%

North: Delhi, Uttar Pradesh, Rajasthan, Haryana, Punjab, Chandigarh, Uttarakhand, Himachal Pradesh
South: Karnataka, Telangana, Tamil Nadu, Andhra Pradesh, Kerala, Puducherry
West: Maharashtra, Gujarat, Madhya Pradesh, Goa, Dadra and Nagar Haveli, Daman and Diu
East: West Bengal, Bihar, Odisha, Chhattisgarh, Assam, Jharkhand, Tripura

## Bridging distances, building access

| State | % of total branches | Number of branches |
|---|---|---|
| Gujarat | 11 | 534 |
| Karnataka | 10 | 507 |
| Tamil Nadu | 9 | 437 |
| Maharashtra | 8 | 386 |
| Rajasthan | 8 | 369 |
| West Bengal | 7 | 339 |
| Telangana | 6 | 283 |
| Uttar Pradesh | 6 | 298 |
| Andhra Pradesh | 6 | 286 |
| Bihar | 6 | 279 |
| Odisha | 5 | 259 |
| Others (18 states/UTs) | 19 | 929 |

OUR TECHNOLOGICAL IMPERATIVES

# REVOLUTIONIZING LENDING WITH INNOVATION

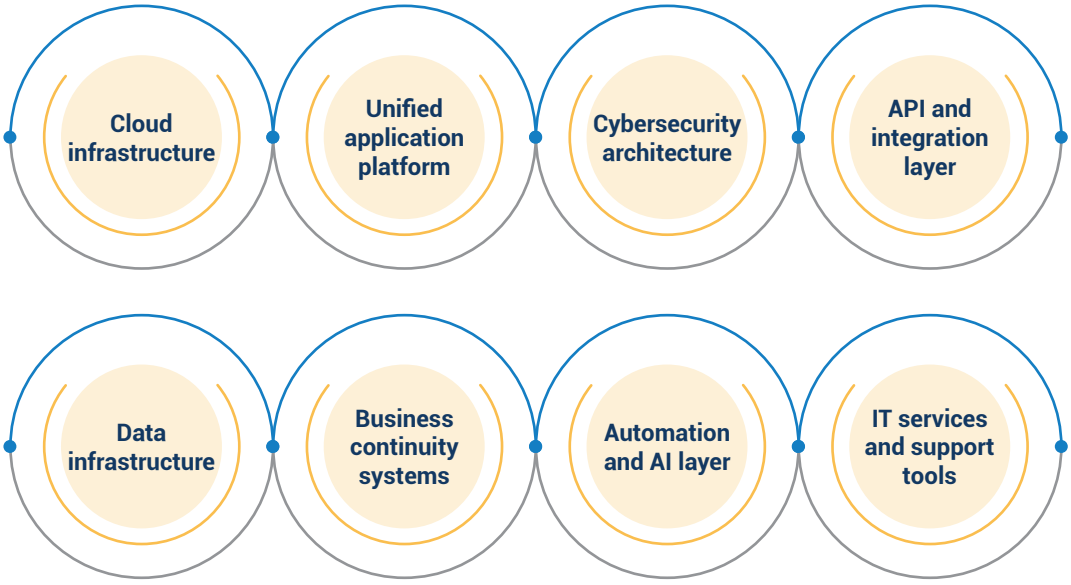
At IIFL Finance, technology is pivotal to driving our growth, enhancing customer experiences, and strengthening risk management. Leveraging robust digital infrastructure, advanced cybersecurity, and innovative solutions such as cloud platforms and AI-driven processes, we remain agile and resilient. Our technological imperatives align strategically, enabling us to deliver secure and seamless financial services in a dynamic digital landscape.

| Key challenges | Our response |
|---|---|
| ▷ Integration and scalability challenges due to rapid digital expansion | ▷ Migrated to a unified Flutter-based platform and enhanced cloud infrastructure on Azure with a dedicated subscription for seamless scalability |
| ▷ Rising cybersecurity threats amid increased digital adoption | ▷ Implementation of Zero Trust Network Access (ZTNA), enhanced 24/7 Security Operations Centre (SOC), and conducted regular cybersecurity drills to strengthen cyber response and resilience |
| ▷ Inconsistent user experience across multiple digital touchpoints | ▷ Consolidated chatbot functionalities and streamlined APIs to deliver a consistent and efficient omnichannel experience |
| ▷ Need to proactively adapt to the fast-evolving landscape of emerging technologies and digital innovation | ▷ Piloted Generative AI in service delivery and internal operations to drive efficiency, responsiveness, and future-readiness |
| ▷ Gaps in workforce adaptability to new digital tools and platforms | ▷ Rolled out targeted training programs focused on cybersecurity, emerging technologies, and application use to build a digitally capable workforce |

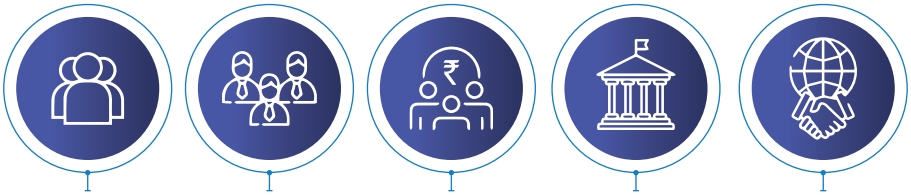
**100%**

Paperless onboarding for home and business loans across digital channels

## Components of technological infrastructure




## Stakeholders impacted




## Commitments to UNSDGs

## Material priorities

- Digitalization
- Data and customer privacy
- Risk management
- Resource management
- Customer satisfaction
- Employment practices
- Regulatory compliance
- Financial inclusion and literacy
- Responsible lending

## Strengthening intellectual capabilities

- Investing in cutting-edge digital platforms
- Regularly upgrading cybersecurity frameworks
- Driving continuous learning through focused upskilling
- Fostering cross-functional collaboration for digital innovation
- Piloting & adopting Gen AI to enhance customer service
- Enhancing data governance & analytics capabilities
- Strengthening internal IT & application development

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S2** Build capacity and grow customer base through retail focus and geographic expansion | ▷ Migrated key applications to a unified Flutter-based platform for improved integration and agility | ▷ Expand AI and automation across customer lifecycle and operational workflows |
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▷ Implemented Zero Trust Network Access (ZTNA) and automated SOC operations for robust cyber defense | ▷ Deepen cloud-native architecture and integrate advanced analytics capabilities |
| **S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency | ▷ Piloted Gen AI solutions for enhanced customer service and internal efficiency | ▷ Institutionalize a culture of innovation through cross-functional collaboration and digital learning ecosystems |
| **S5** Ensure effective asset-liability management, diversify borrowing sources and strengthen credit profile | ▷ Conducted structured upskilling programs to support digital adoption across teams | ▷ Fortify IT governance and resilience to proactively manage emerging tech risks |

# OUR TECH INFRASTRUCTURE

## IIFL LOANS APP

- Delivering a seamless and intuitive account management experience
- Enabling end-to-end digital completion of loan applications
- Minimizing documentation through paperless processing
- Providing an easy-to-navigate platform for real-time account access
- Offering convenient features like online top-ups, gold loan renewals, and instant personal loan options
- Supporting quick and hassle-free loan payments

## PARTNERSHIPS / COLLABORATIONS WITH TECH ECOSYSTEM

Recognizing the value of collaborative innovation, IIFL Finance has forged strategic alliances with leading technology providers, cloud enablers, and fintech partners. These partnerships have supported co-lending integrations, real-time API connectivity, cloud scalability, and AI-driven automation—strengthening our Company's position as a digitally empowered NBFC. Notably, the collaboration with Azure and specialized vendors has helped scale digital infrastructure and security resilience.

## GEN AI ADOPTION ALIGNED TO BUSINESS STRATEGY

In line with our innovation-led roadmap, we have piloted Generative AI applications and internal operations. The use of Gen AI supports and improves employee efficiency—delivering tangible impact across service quality and cost optimization. These pilots are being progressively aligned with business processes to institutionalize automation and strengthen competitive agility.

## LEVERAGING TECHNOLOGY FOR BRANCH SECURITY

To ensure safe and compliant operations across our vast branch network, our Company leverages advanced surveillance systems, access control solutions, and digitally monitored vault security for its gold loan operations. Integration of tech-driven security protocols within the core infrastructure reinforces customer confidence and enhances regulatory adherence, particularly in high-risk geographies.

## STABLE AND SECURE TECH SETUP

Built on a robust Azure-based cloud foundation, our Company's technology infrastructure is designed for resilience, agility, and scalability. With ISO27001 and ISO22301 certifications in place, our Company ensures business continuity, information security, and real-time performance monitoring across systems. Regular audits, vulnerability assessments, and a 24x7 automated SOC further reinforce our commitment to a secure digital environment.

# CYBERSECURITY: FORTIFYING TRUST IN THE DIGITAL AGE

In an increasingly digital ecosystem, where the sanctity of data and digital trust determines business credibility, IIFL Finance has placed cybersecurity at the core of its technological strategy. Our Company's multi-layered cybersecurity framework not only protects sensitive customer and business data but also ensures compliance, operational resilience, and stakeholder confidence. By embracing global standards and deploying proactive measures, we continue to strengthen our digital fortifications and safeguard our expanding digital footprint.

## KEY CYBERSECURITY PRACTICES AND ENHANCEMENTS

- Sustained ISO27001 Certification and initiated journey towards version migration from v2013 to v2022
- Initiation of Zero Trust Network Access (ZTNA) implementation for enhanced security by continuous verification, minimizing risks from unauthorized users and devices
- Enhancement and automation of 24/7 Security Operations Center (SOC) services to enable rapid security incident detection and immediate response
- Strategic partnership with Data Security Council of India (DSCI) for cyber security and data privacy initiatives
- Implementation of database activity monitoring solution
- Automation of tabletop cybersecurity drills to enhance security awareness and improve incident response readiness
- Sustained ISO22301 Certification for Business Continuity Management System (BCMS)

## CERTIFICATIONS AND ACCOLADES

- ISO 27001 Certification version upgradation from v2013 to v2022, demonstrating robust Information Security Management System (ISMS) practices to protect sensitive customer and organizational data
- ISO 22301:2019 certification sustained, validating our Company's Business Continuity Management System (BCMS) and its readiness to operate seamlessly during disruptions

# ENVIRONMENTAL

ENVIRONMENT

# DRIVING GROWTH WITH A SUSTAINABLE VISION

Environmental responsibility is integral to our business ethos. We are committed to reducing our carbon footprint through energy-efficient operations, waste minimization, and sustainable financing. By embedding environmental stewardship into our strategy and embracing innovative technologies, we strive to create lasting value for our stakeholders while contributing to a greener, more sustainable future.

## Key challenges

- With expanding branch operations and digital infrastructure, managing Scope 1 and Scope 2 emissions—particularly from electricity consumption—posed a significant challenge
- As a financial services Company operating in leased premises, direct control over water discharge and treatment was limited. A significant portion of water was discharged untreated into municipal systems
- Growth in digital operations led to rising e-waste (computers, servers, batteries) and residual paper waste from onboarding and servicing operations
- Indirect emissions such as business travel, procurement, and vendor-related emissions were not formally tracked, limiting full impact visibility
- Ensuring structured and standardized environmental management across key operational hubs while aligning with global sustainability benchmarks

## Our response

- Adopted Tata Green Tariff at the Mumbai office, achieved LEED Gold Certification for the Gurugram office building, and implemented LED lighting with smart sensors to enhance energy efficiency
- Installed rainwater harvesting, sewage treatment systems and deployed aerators, water softeners and recycled water setups for secondary use like flushing and gardening at key offices
- Partnered with certified vendors for responsible recycling of e-waste. Introduced bamboo-based tissue paper and digitalized recruitment, onboarding, and customer servicing to reduce paper usage
- Initiated Scope 3 emission mapping processes for travel and IT assets to enhance transparency and accountability
- We obtained ISO 14001:2015 certification for our offices in Mumbai, Thane, and Bangalore, adopting a globally recognized framework to enhance our environmental management system, ensure compliance, promote resource efficiency, and drive continuous improvement

**3,194.68 GJ**
Renewable energy consumed*

Obtained
**ISO 14001:2015 certification**
for 3 large offices in Mumbai, Thane and Bangalore

**Adopted Tata Green Tariff**
At our Corporate Office in Mumbai

## Components of environmental resources

## Material priorities

Climate change and GHG emissions

Resource management

Regulatory compliance

Responsible lending

## Commitments to UNSDGs

*For IIFL Finance standalone entity

## Stakeholders impacted

- Employees
- Communities/ NGOs
- Government/ Regulators
- Investors/ Shareholders
- Business Partners/ Suppliers

## Deploying sustainable resources

- Adopted Tata Green Tariff and achieved LEED Gold Certification to reduce carbon footprint
- Digitalized customer and employee journeys to reduce paper and resource use
- Installed aerators, STPs, and rainwater harvesting across key offices
- Recycled 100% of e-waste, paper, and plastic waste through certified partners
- Initiated Scope 3 emissions tracking and expanded sustainability data collection
- Promoted awareness campaigns and sustainable product use (e.g., bamboo tissue) in major branches

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▷ Tracked Scope 1 & 2 emissions<br>▷ Initiated Scope 3 mapping<br>▷ 100% e-waste responsibly recycled | ▷ Implement office-level green operational SOPs and expand environmental risk controls across branches |
| **S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency | ▷ Digitalized customer onboarding, servicing, and HR processes | ▷ Further reduce environmental footprint through intelligent automation, AI-driven workflows, and cloud-based infra |
| **S6** Capital-optimized, value-innovation driven strategy | ▷ Investments in rainwater harvesting, biodegradable materials, and energy-efficient systems | |

## OUR APPROACH TO ENVIRONMENTAL RESPONSIBILITY

Environmental stewardship is not just a compliance necessity, but a strategic imperative embedded in our operational ethos. While our financial services model naturally carries a low direct environmental footprint, we are committed to continually minimizing our ecological impact through energy-efficient infrastructure, responsible resource consumption, and green lending initiatives. We believe that profitability and sustainability can — and must — coexist.

## OPTIMIZING ENERGY EFFICIENCY

We are actively embedding sustainability into our operational infrastructure. Advanced energy management systems have been implemented across key offices, with sensor-based controls regulating lighting, HVAC, and temperature to reduce consumption and optimize efficiency. Select locations are also powered through renewable energy sources such as the Tata Green Tariff.

## HUMARA KUTUMB

Humara Kutumb is IIFL Home Finance Limited's flagship CSR initiative focused on advancing sustainable and green self-construction practices among economically weaker section and low-income group households. The project provides technical support and financial assistance to help borrowers secure green building certifications for their self-constructed homes. Through this initiative, homeowners are empowered to adopt climate-resilient and resource-efficient construction practices, improving long-term affordability and environmental impact.

The project also includes the development of demo houses in key geographies to serve as live models of green, affordable construction. These demo units are intended to educate local communities, masons, and other stakeholders about sustainable building techniques and certification benefits. The program aligns with national priorities on housing for all and environmental sustainability, while also contributing to IIFL's broader ESG goals.

**30 Houses certified**
as on March 31, 2025

**250+**
Homeowners onboarded

## PROMOTING GREEN HOUSING THROUGH SUSTAINABLE FINANCE

Through our housing finance subsidiary, we are advancing India's green transition by offering preferential financing for certified eco-friendly homes. As of FY 2024–25, over 26,358 green housing units have been funded, contributing to measurable climate outcomes including 24,317 MWh of annual energy savings, 1,401 ML of water savings, and 22,371 tonnes of $CO_2e$ offset. These efforts are supported by initiatives like Green Value Partnership (GVP) and technical collaborations with development institutions to mainstream sustainable construction in the affordable housing sector.

## SMART WATER STEWARDSHIP

Our offices are equipped with water-efficient infrastructure, including aerators, water softeners, and an 8,000-litre STP at our Gurugram office. Treated water is reused for landscaping and non-potable applications, reducing freshwater withdrawal and discharge. Additionally, rainwater harvesting systems and drainage chambers are in place to optimize water use and reduce environmental impact, reinforcing our responsible water stewardship approach.

## GREEN VALUE PARTNERSHIP (GVP)

The Green Value Partnership stands as a flagship initiative that bridges the gap between sustainability and scalable housing solutions. The program supports builders and homeowners with training, certification, design support, and ESG evaluations to foster climate-resilient and resource-efficient housing. Through on-ground models and community engagement, GVP contributes meaningfully to SDGs 11 (Sustainable Cities) and 13 (Climate Action) while enabling responsible growth in India's housing ecosystem.

### CLIMATE IMPACT FROM GVP

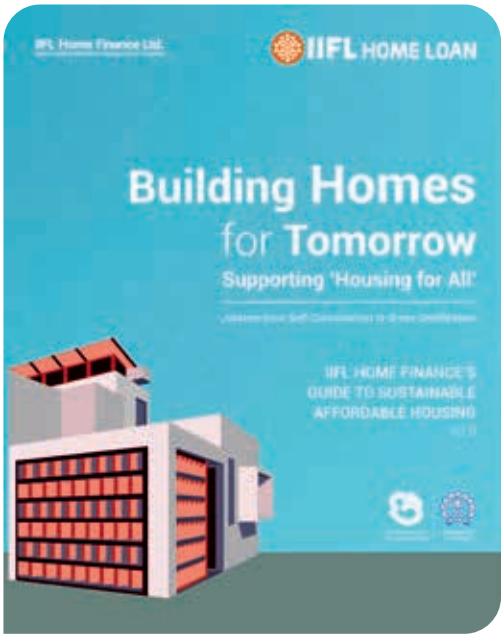
**26,358**
Green units funded

**39**
Pre-Certification of green projects

**6**
Certified green projects

### Sustainable Development Goals

## GREEN HANDBOOK 2.0 – BUILDING HOMES FOR TOMORROW




As part of our CSR initiatives, IIFL Home Finance Limited released Green Handbook Volume II, a comprehensive guide aimed at promoting sustainable self-construction practices in Tier 2 and Tier 3 cities. Building on the success of the first edition, this volume focuses on low-rise residential self-construction and offers practical, actionable insights tailored for individual homeowners, contractors, and small developers.

Authored by renowned architect Ashok B. Lall and peer-reviewed by the Civil Engineering Department of IIT Bombay, the handbook covers climate-responsive design, energy-efficient techniques, and green certification pathways. Professors Venkata Santosh Kumar and Prabhat Sharma from IIT Bombay also conducted performance simulations to validate the real-world impact of the recommended strategies.

In the upcoming phase, we aim to amplify the reach of this knowledge through targeted workshops and awareness sessions, helping embed sustainability at the grassroots level in India's affordable housing ecosystem.

# SOCIAL

IIFL FINANCE

OUR COMMUNITIES

# TRANSFORMING LIVES THROUGH IMPACTFUL PROGRAMS

## Key challenges

- Several of our target communities reside in remote and underdeveloped regions with limited infrastructure and logistical constraints, making program implementation and monitoring more complex
- Driving sustained behavioral and socio-economic change, particularly in areas such as financial literacy, health, and skilling, requires interventions that go beyond one-time engagement or annual targets
- Engaging with local communities in a consistent, scalable, and impact-oriented manner across geographies

## Our response

- We partnered with local NGOs and community-based organizations with strong grassroots presence and trust capital. These collaborations enabled us to navigate logistical challenges effectively and ensure that our initiatives—especially in education and healthcare—reached intended beneficiaries efficiently
- We adopted a long-horizon approach for key CSR programs, focusing on continuity and multi-year impact. This included building structured outcome monitoring frameworks and integrating capacity-building elements to ensure that communities could independently sustain benefits post-program completion
- Continued to invest in community development through CSR initiatives focused on education, healthcare, skill-building, and livelihood enhancement and disaster-relief, reinforcing our Company's social purpose

## Components of community relationships

## Commitments to UNSDGs

## Stakeholders impacted

Communities/ NGOs

## Material priorities

Financial inclusion and literacy

Community development

## Serving communities

- CSR projects implemented in aspirational districts of Baran and Kupwara in Rajasthan and Jammu & Kashmir, respectively
- Conducted an Impact Assessment of the Sakhiyon Ki Baadi (SKB) project using the OECD-DAC & SRoI Methodology
- Partnered with NGOs for impactful CSR programs

## OUR CSR ACTIVITIES

CSR activity at IIFL Finance, is a cornerstone of its commitment to inclusive and sustainable development. Through our dedicated arm, the IIFL Foundation, we implement impactful programs across education, health, environment, livelihood, and poverty alleviation—anchored in our core values of fairness, integrity, and transparency. Our structured approach ensures each initiative is need-based, outcome-driven, and aligned with national development priorities.

**₹ 42 Crores**
CSR spends during the year

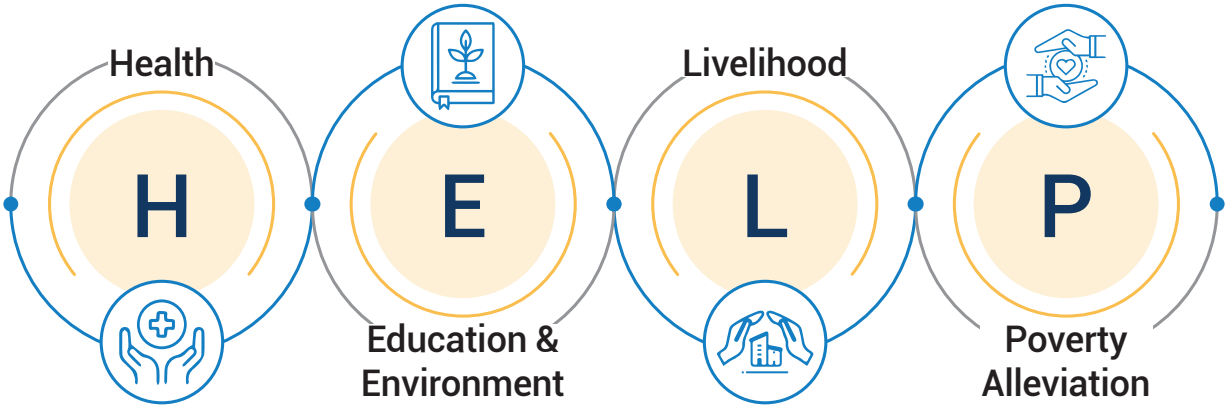
**3,81,269**
Lives benefited

**6**
States covered through IIFL Foundation

## DRIVING SUSTAINABLE CHANGE THROUGH PURPOSEFUL CSR

IIFL Finance recognizes its responsibility to contribute meaningfully to the communities it serves. Our CSR initiatives are led by the IIFL Foundation, which works in close coordination with the CSR Committee, CSR Advisory Committee, and the leadership team to identify and implement programs that align with our Company's vision for inclusive development.

The CSR strategy focuses on four key pillars under the acronym **HELP** – Health, Education & Environment, Livelihood, and Poverty Alleviation. Each initiative is thoughtfully designed to address specific community needs, fostering long-term impact and societal progress.



**To ensure the effectiveness and relevance of its efforts, the Foundation adopts a structured three-phase approach:**

### Planning

Projects are identified through stakeholder consultations, community need assessments, and a well-defined Theory of Change, ensuring alignment with long-term goals.

### Implementation

Programs are executed either directly or via credible implementation partners, selected through a rigorous due diligence process.

### Monitoring & Evaluation

A robust internal M&E framework with standardized tools and reporting protocols ensures measurable outcomes and accountability

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| S6 Capital-optimized, value-innovation driven strategy | ▷ Reached nearly 4 Lakhs beneficiaries across 6+ states through targeted CSR interventions<br>▷ Expanded flagship education initiative, Sakhiyon Ki Baadi, benefitting over 7,000 marginalized girls in five districts (for IIFL Finance)<br>▷ Conducted health camps benefiting 15,000+ individuals and supported critical medical infrastructure<br>▷ Launched skill development and livelihood programs for 200+ youth across underserved regions and communities<br>▷ Undertook third-party social impact assessment to evaluate program effectiveness and refine strategies<br>▷ Promoted digital literacy in schools with smart boards and computer labs | ▷ Deepen outreach in remote and underserved regions through community-driven partnerships<br>▷ Enhance digital integration in education and livelihood programs for scalable impact<br>▷ Institutionalize impact reporting mechanisms across all CSR initiatives for greater accountability<br>▷ Continue empowering women-led enterprises and promote inclusive growth through grassroots interventions<br>▷ Align future projects with thematic focus areas under SDGs, expanding partnerships for higher collective impact |

## STRENGTHENING IMPACT THROUGH STRATEGIC PARTNERSHIPS

IIFL Finance engages with experienced and credible implementation partners to deliver high-impact CSR programs. The process is structured across three key steps:

### Due diligence

Rigorous evaluation of partner credentials to ensure alignment with the Foundation's vision and values.

### Collaborative execution

Joint planning and implementation of projects with clearly defined goals and responsibilities.

### Monitoring & Reporting

Regular progress tracking and impact assessments to ensure transparency, quality, and accountability.

## EDUCATION

Education continues to be a central pillar of IIFL Foundation's CSR focus. Our Company undertakes a wide range of initiatives to bridge the learning gap, promote digital literacy, and empower marginalized communities—especially young girls—through inclusive, quality education.

### Sakhiyon Ki Baadi

Beneficiaries: **7,650**

A flagship initiative aimed at eradicating female illiteracy through community-based learning centers that deliver foundational literacy and numeracy (FLN) skills to girls aged 4–14 years.

### Smart Shaala Program

Beneficiaries: **1.11 Lakhs students** and **3,010 teachers**

India's largest TV-based learning program implemented across schools, supported by dissemination of Maths Kits. The initiative is designed to improve the learning levels of children studying in government schools.

### Digital Shaala

Beneficiaries: **9,053**

This two-year program introduced digital pedagogy by installing 50 television sets with audio-visual learning content, targeting students in grades 6 to 10—particularly girls aged 10–16. The initiative also focused on teacher capacity building.

### ASER 2024

Beneficiaries: **57,042**

Supported the Annual Status of Education Report (ASER) test conducted across 33 districts in Rajasthan to assess foundational learning levels among children.

### Financial literacy

Beneficiaries: **1,948**

A structured nine-month curriculum introduced to school-going girls covering grades 9 to 12 to instil core financial knowledge and practices at an early age.

### Language labs

Beneficiaries: **935**

Set up English language labs in government schools to strengthen English comprehension and language skills.

## Akshar Jyoti

Beneficiaries: **9,479**

An innovative initiative using the traditional folk art form Gavri (song, dance, and drama) to sensitize tribal communities on the importance of girls' education by blending mythological stories with contemporary themes.

## IT equipment for children with special needs

Beneficiaries: **210**

Established a computer lab equipped with desktops, laptops, projectors, tablets, and UPS systems for children with intellectual disabilities, enabling access to interactive and inclusive learning.

## Computer lab

Beneficiaries: **356**

Assisted in setting up a computer lab for students of classes 11 and 12, in alignment with their curriculum.

## Administrative support to school for underprivileged children

Beneficiaries: **256**

Provided financial assistance for teacher salaries and premises rent to prevent school closure and ensure continuity in education for children belonging to underserved communities.

## Support to shelter home

Beneficiaries: **28**

Implemented a comprehensive care and education program for homeless children residing in shelter home.

## Construction support to a tribal school

Beneficiaries: **500**

Upgraded critical infrastructure, including classrooms and kitchens, at a tribal school to ensure equal opportunities.

## Support staff for government schools

Beneficiaries:
**500**

Extended salary support to contract teachers to ensure uninterrupted education in public schools.

## Installation of smart boards

Beneficiaries:
**1,000**

Promoted digital literacy through installation of two smart boards at two government schools.

## Scholarship

Financial support to a deserving underprivileged student to ensure education continuity.

Beneficiaries:
**01**

# HEALTH

Improving healthcare access and delivery is a key area of intervention under IIFL Foundation's CSR initiatives. Through community health camps, infrastructure support, and emergency services, our Company has extended timely and critical healthcare support to underserved populations across the country.

## Medical Camp – Barsana

Beneficiaries:
**4,855**

Organized a free medical camp offering eye check-ups, distribution of spectacles, cataract surgeries, and dental treatments including root canals, extractions, and dentures.

## Medical Camp – Pandharpur

Beneficiaries:
**11,000**

Supported a mega medical camp that provided healthcare services to the Warkari community during their annual pilgrimage, ensuring access to medical attention throughout the event.

## Renovation of Dharamshala/Rest house

Beneficiaries:
**300+**
**attendants at any given point**

Upgraded the Dharamshala facilities into a Government hospital to improve safety, hygiene, and comfort for patients and their families.

## Maha Kumbh support initiative

Beneficiaries:
**2,580**

Provided critical assistance during the Mahakumbh 2025 through medical boats, first aid services, and volunteer support to the district administration for crowd control and reuniting lost individuals.

## Ambulance donation – community health center

Beneficiaries:
**50**

Donated an ambulance to enhance emergency medical response capabilities in remote areas.

## ENT surgical equipment donation

Beneficiaries:
**1,200**

Provided an advanced Endohold ENT surgical machine and specialized Frenzel goggles to facilitate precision surgeries by enabling two-handed endoscopic procedures and to strengthen ophthalmic diagnostic capabilities.

## Hematology analyser donation

Beneficiaries:
**1,000**

Donated haematology analyser for blood testing to provide detailed information about the different types of blood cells, including red blood cells (RBCs), white blood cells (WBCs), and platelets.

## Cardiopulmonary Resuscitation (CPR) Sessions

Beneficiaries:
**175**

Conducted CPR awareness and training sessions to equip professionals with essential life-saving skills.

## LIVELIHOOD

Empowering individuals with employable skills and financial knowledge is an essential aspect of IIFL Foundation's mission to promote self-reliance. The livelihood initiatives focus on skill development, vocational training, and capacity-building programs that enable individuals, especially youth, to access better economic opportunities.

### BFSI Course

Beneficiaries: **30**

Introduced a specialised banking and financial services course aimed at enhancing employability among underprivileged youth seeking careers in the financial sector.

### Homestay Host Training

Beneficiaries: **160**

Conducted a skill-building program in the homestay tourism sector to help local youth tap into regional tourism opportunities.

### Hospitality – Chef Trade

Organized culinary training under the Chef trade program to equip youth with hospitality industry skills for a sustainable livelihood.

Beneficiaries: **160**

## POVERTY ALLEVIATION

Disaster Management and other projects

### Dibrugarh Flood Relief

Beneficiaries: **1,800**

Distribution of curated kits for the families affected during floods.

### 35th Maharashtra State Police Sports Competition

Beneficiaries: **1,000**

Support towards promotion and development of sports.

## SOCIAL IMPACT ASSESSMENT: MEASURING WHAT MATTERS

Impact is meaningful only when it leads to measurable, lasting change in the lives of people. Guided by this principle, IIFL Foundation adopts a structured social impact assessment framework that combines strategic planning, stakeholder consultations, and robust monitoring and evaluation.

One of the key programs assessed in FY 2024–25 was Sakhiyon Ki Baadi, which has expanded from 100 centers in 2016 to over 1,100+ learning hubs, reaching more than 32,000 girls across 15 districts at IIFL Group level. A third-party evaluation revealed:

- 94% of educators confirmed expanded reach into underserved areas
- 97% of students showed increased interest in learning
- 77% of students reported better social interaction and classroom participation
- 96% of educators improved their digital skills
- 32% of educators reported enhanced household income due to economic participation
- 68% of students demonstrated notable academic improvement

These findings not only validate the program's impact but also inform future enhancements. Through continuous assessment, each initiative is fine-tuned to maximize its value and effectiveness—ensuring that every action creates real, measurable progress.

## METHODOLOGICAL INSIGHTS

The impact of the Sakhiyon Ki Baadi initiative was assessed through an independent third-party study conducted by KPMG India, guided by the OECD-DAC evaluation framework. The evaluation followed a mixed-method approach, combining quantitative surveys and qualitative tools such as in-depth interviews and focus group discussions. Data was collected from **807 stakeholders,** including **417 students, 293 parents, and 49 educators (Dakshas),** along with implementing partners, school teachers, and local Government representatives across six districts. This comprehensive methodology enabled a holistic and credible evaluation of the program's relevance, effectiveness, and sustainability.

# IMPACT STORIES

## Bhavik Jain: Teaching transformed through technology

Mr. Bhavik Jain, a Mathematics and Science teacher at Government Senior Secondary School, Badrana, embraced a new era of education with the integration of digital tools. Initially apprehensive, he faced challenges in operating the digital device provided to him under the program. However, with consistent training and support, his confidence grew.

Today, Bhavik seamlessly integrates the digital platform into his teaching, making subjects more interactive and concepts easier for students to grasp. Beyond his lessons, he has noticed students voluntarily using the classroom TV to revise and explore content independently. Bhavik now sees technology as a game-changer in education and envisions its widespread adoption across rural schools.

### Empowerment journey :

- Faced initial difficulty with ed-tech adoption
- Now a digital champion inspiring self-paced learning in rural classrooms

## Kajal: From walking 5 km to embracing digital learning

Kajal, a class 8 student at Mahatma Gandhi Higher Primary School in Surfala, walks nearly 5 km daily to attend school. Her parents, daily wage laborers, had limited means to expose her to technology. The introduction of the Digital Shaala program at her school was a turning point.

Kajal, who once struggled with maths and science, found new enthusiasm and clarity through interactive digital content. Her teachers observed not just academic improvement but a noticeable boost in her confidence and curiosity. Today, kajal stands as a symbol of what access to the right resources can do for a young learner from a modest background.

### Empowerment journey :

- Had limited access to technology and struggled in core subjects
- Now enjoys learning and shows marked improvement, thanks to Digital Shaala

## Shrushti Burnwal: Charting a confident course in BFSI

Shrushti Burnwal joined the BFSI training program offered by IIFL Foundation at an NGO-run Center with a goal— to find her place in the financial services industry. Over the course of one and a half years, she immersed herself in learning the fundamentals of banking, financial services, and insurance.

With structured guidance, Shrushti grew from a hesitant student into a confident job-seeker. The training not only equipped her with technical knowledge but also shaped her personality and communication skills. Today, she feels ready to take on internship opportunities and actively pursue a career in banking. Her journey is one of preparation, perseverance, and potential unleashed.

### Empowerment journey :

- Unsure about career path with limited industry exposure
- Now confidently prepared to pursue a career in BFSI, ready for internships

## Rama Sharma: Igniting learning in rural Jaipur

Rama Sharma, a 30-year-old teacher at government upper primary school, Narayanpura (Jaipur), has emerged as a symbol of change in rural education. With 142 students under her care, Rama turned a resource-limited environment into a thriving learning space by embracing digital education tools offered through the IIFL Foundation, under the program.

Following her training in the FLN math kit under the Nipun Bharat Mission, Rama adopted the Smartshala App, the FLN TV device, and the math and English kits to revolutionalize classroom teaching. Her proactive use of these tools—like "Didi ke Sawaal" and gamified assessments—enhanced engagement and dramatically improved learning outcomes. She has completed 18 in-app training courses, ensuring that her pedagogy remains future-ready.

Today, Rama is a star teacher awardee, widely recognized for driving foundational literacy and numeracy among students. Her integration of technology, passion for education, and commitment to student-centric learning is helping bridge the urban-rural educational divide.

### Empowerment journey :

- Taught in a rural school with limited academic engagement
- Now a star teacher transforming rural classrooms through digital innovation

## Mansi Kaserwani: Confident steps into the financial world

Hailing from a commerce background, Mansi was at a crossroads—unsure whether to pursue competitive exams or professional training. Her decision to enrol in the BFSI course provided by IIFL Foundation proved transformative. With a strong foundation in accounting, insurance, and IT, and supported by mentors at the center, Mansi grew in knowledge and confidence. Today, she is career-ready and equipped to succeed in the financial services sector.

### Empowerment journey :

- Confused about career direction
- Gained clarity and confidence through BFSI training

## Nazima Bashir : From Handwara to hospitality

Nazima, from the remote region of Handwara, joined the food production training at Skill Hub in Kupwara, supported by IIFL Foundation. Despite humble beginnings, she trained diligently and secured a job at hotel Ice land in Pahalgam, earning a stable income. Her journey reflects the transformative power of skill development and financial independence.

### Empowerment journey :

- From a remote, under-resourced region
- Now employed in the hospitality sector, earning a steady income

## Vinayak's journey from rebellion to responsibility

Vinayak, a young boy from a struggling family in Maharashtra, was forced to grow up too quickly. After losing his mother and with a severely ill father, he and his four brothers lived under the care of their aunt, who was already stretched raising three children of her own. Faced with poverty and lack of supervision, Vinayak turned to petty theft and aggressive behavior. Recognizing the downward spiral, his aunt admitted him to a shelter home supported by IIFL Foundation.

Initially disruptive and difficult, Vinayak was offered structured counseling and patient guidance. The death of his father became a turning point in his life. He slowly embraced discipline, started focusing on his studies, and overcame his reading difficulties. Today, he is in grade 7, known for his artistic talent and passion for dance and electrical work. His resilience and transformation is nothing short of inspiring.

### Empowerment journey :

- Was involved in theft and truancy
- Today, a disciplined grade 7 student aspiring to become an electrician

## Ansh's triumph over trauma

Isolated, self-harming, and deeply distressed — this was the emotional world of young Ansh, who had lost his father and was being locked inside the house daily while his mother went to work. The absence of care and companionship pushed him into a shell of silence and destructive behavior. When he was brought to the shelter home, he was in class 4 and resisted everything — school, books, and even life itself.

Through sustained counselling and dedicated care, Ansh slowly began to open up. His exceptional intelligence and curiosity were nurtured through one-on-one academic engagement and creative outlets like chess and dance. He began to thrive, developing leadership qualities and mentoring younger children at the home. Today, a student of class 9, Ansh dreams of becoming a veterinary doctor. He is focused, independent, and a source of hope for others around him.

### Empowerment journey :

- Suffered severe emotional trauma and self-harm
- Now a motivated grade 9 student with a dream of becoming a vet

## A star teacher's journey with digital tools: Santosh Soni

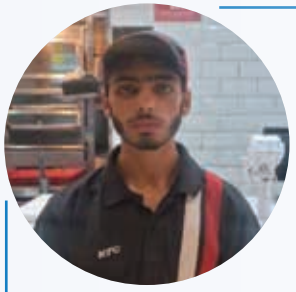
Santosh Soni, a veteran government school teacher in Jodhpur, Rajasthan, experienced a turning point in her teaching journey with the introduction of the Smartshala tools in 2022. After years of grappling with inadequate teaching materials and high administrative loads, she finally felt equipped to deliver quality education, through this program.

With access to the Smartshala App, FLN TV device, and audio-based learning aids, her classroom underwent a remarkable shift. Lessons became more interactive, students lost their fear of subjects like mathematics, and learning outcomes began to improve tangibly. Her school's environment became more joyful and productive.

The transformation culminated with Santosh winning the coveted "Star Teacher Award" while her school was named a "Star School". Her journey is now a beacon of hope for other rural educators.

### Empowerment journey :

- Limited to government books and overwhelmed by admin duties
- Now a national award-winning educator inspiring digital learning in rural Rajasthan



## Ashiq Hussain Najar: Learning to lead

Ashiq, a determined youth from Drugmulla, Kupwara, enrolled in the IIFL Foundation-funded skill training program. With limited opportunities and formal education up to class 10, he pursued training with zeal. Upon completion, ashiq became an assistant trainer at the Skill Hub. His story reflects the power of opportunity to convert beneficiaries into future mentors.

### Empowerment journey :

- From a limited education background
- Became a trainer, mentoring others in the same program

OUR CUSTOMERS

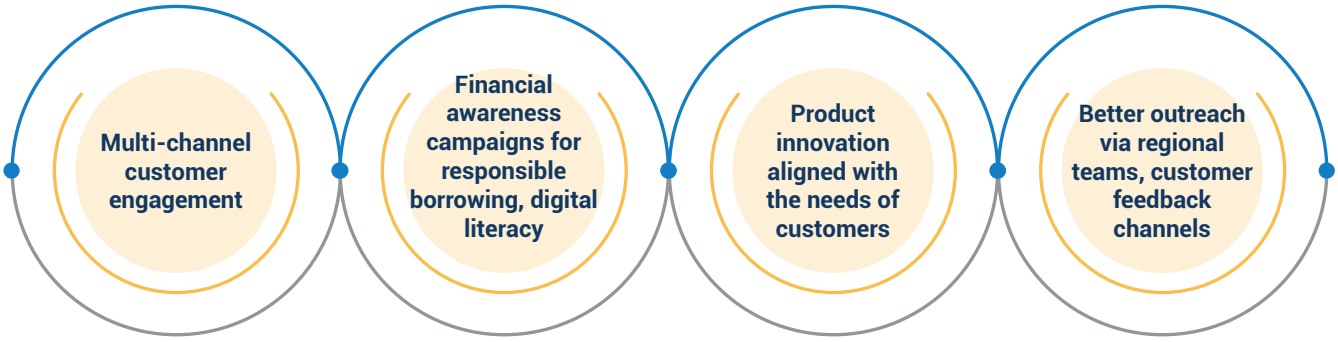
# EMPOWERING EVERY STEP OF YOUR FINANCIAL NEEDS

Our customers are at the center of everything we do. We are deeply committed to providing accessible, transparent, and responsible financial solutions that cater to the unique needs of individuals across diverse socio-economic backgrounds. By blending human empathy with digital innovation, we empower our customers—especially first-time borrowers and underserved borrowers to make informed financial choices, build credit confidence, and progress towards long-term financial well-being.

| Key challenges | Our response |
|---|---|
| Ensuring meaningful financial inclusion across underserved and remote communities, where awareness, access, and digital literacy remain limited | Expanded outreach through a robust phygital model combining localized branches with tech-enabled platforms, making financial services accessible, convenient, and inclusive |
| Building and maintaining trust among first-time borrowers and financially vulnerable segments, especially in the post-pandemic recovery phase | Focused on responsible lending practices and transparent communication to foster long-term trust and financial literacy among customers |
| Balancing rapid digital adoption with the need for personalized support, particularly for customers unfamiliar with self-service platforms | Strengthened customer service channels by integrating AI-powered chatbots, multilingual support, and branch-assisted digital onboarding for inclusive servicing |
| Addressing the evolving expectations of digitally savvy customers demanding speed, transparency, and seamless experiences | Designed customer-centric products and experiences tailored for first-time borrowers, women entrepreneurs, and rural households |

**24x7**
customer servicing via mobile app, WhatsApp, and AI chatbots

## Components of customer relationships




## Embracing customer-centricity

- Offered affordable, inclusive loan products
- Conducted region-specific financial literacy drives
- Enabled multilingual digital support tools
- Provided assisted digital onboarding at branches

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S1** Address growing financial needs in underserved markets | ▷ Expanded customer base to over 7 Million, with 75% comprising underserved and first-time borrowers | ▷ Further personalize digital experiences using data insights and AI-led engagement tools |
| **S2** Build capacity and grow customer base through retail focus and geographic expansion | ▷ Achieved 100% paperless onboarding across home, business, and gold loans | ▷ Expand regional language capabilities and accessibility features across digital platforms |
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▷ Launched AI-enabled chatbot AskPanda for our employees and IdolBOT-a WhatsApp based loan origination system | ▷ Deepen customer connect through lifecycle-based offerings and service customization |
| **S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency | ▷ Resolved over 20,000 daily queries through digital channels, enhancing service efficiency and reach | ▷ Strengthen grievance redressal and feedback loops for continuous service improvement |
| | ▷ Rolled out financial literacy initiatives in rural regions to promote informed borrowing | ▷ Continue driving financial inclusion by extending affordable credit to new-to-credit and unbanked customers |

## KEY CUSTOMER-FOCUSED INITIATIVES

### Phygital delivery model

We continued to strengthen our unique phygital model that integrates our extensive branch presence with digital platforms. This hybrid approach ensures personalized service while enabling convenience and accessibility for customers across geographies.

### Paperless loan onboarding

To simplify and accelerate the borrowing experience, we enabled 100% paperless onboarding for home loans, business loans, and gold loans. This has significantly reduced processing time and improved customer satisfaction.

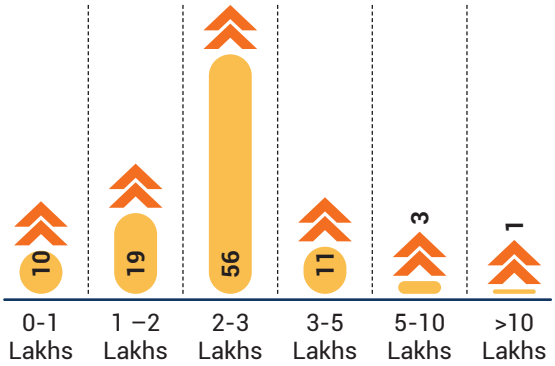
### IIFL Loans App and customer portal

Our self-service digital platforms empower customers to manage their loans end-to-end—view statements, make payments, raise service requests, and apply for top-ups—all from a single interface.

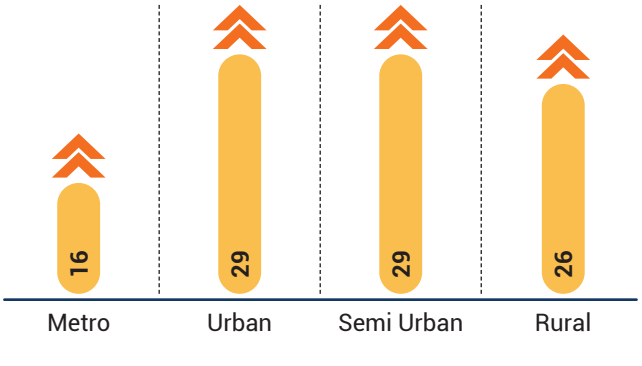
### Digital co-lending ecosystem

By integrating seamlessly with co-lending partners through API infrastructure, we offer customers faster credit access and wider product choices, while ensuring transparency and compliance.

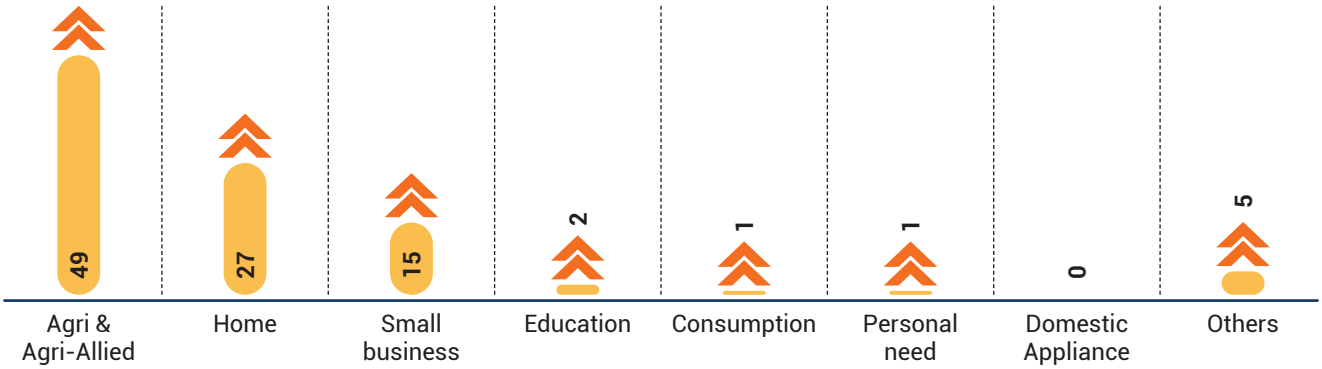
## % Customers by annual income buckets (₹)




## Branches by area category (%)




## Loans by Loan purpose (%)



# STRENGTHENING DIGITAL NARRATIVES

## CONNECTING COMMUNITIES DIGITALLY

We undertook a focused initiative to enhance our footprint across LinkedIn, Facebook, Instagram, and YouTube. Through thoughtfully curated content, targeted engagement, and well-executed advertising campaigns, we achieved notable traction and audience growth. By sustaining a dynamic presence and delivering meaningful, value-driven posts, we successfully cultivated an active follower base—amplifying both brand visibility and impact.

27%

35.4K
FY 2024-25

27.7K
FY 2023-24

18.3K
FY 2022-23

125%

138K
FY 2024-25

60K
FY 2023-24

6.4K
FY 2022-23

0%

2.45 Lakh
FY 2024-25

2.45 Lakh
FY 2023-24

2.26 Lakh
FY 2022-23

16%

25.4K
FY 2024-25

21.7K
FY 2023-24

10K
FY 2022-23

8%

6.8K
FY 2024-25

6.3K
FY 2023-24

5.7K
FY 2022-23

# OMNICHANNEL ENGAGEMENT FOR DEEPER CUSTOMER CONNECT

We employ a comprehensive multi-channel marketing strategy to engage customers and promote our financial offerings. Our outreach spans digital platforms, grassroots activations, and social media engagement, enabling us to connect effectively with a diverse and widespread customer base.

## EXPANDING REACH THROUGH DIGITAL CHANNELS

Our Company harnessed the power of digital tools like SMS and WhatsApp to communicate directly with our customers. These platforms enabled us to share campaign updates, personalized offers, and service reminders in real-time—ensuring faster, more relevant engagement.

## ENGAGING AUDIENCES THROUGH SOCIAL STORYTELLING

Social media became a powerful platform to inform, educate, and connect. We maintained an active presence on Instagram, Facebook, and YouTube, sharing relatable content that demystified gold loans and financial services. Using reels, short videos, and infographics, we reached younger, mobile-first audiences with simplified, regionalized narratives. YouTube, in particular, served as a platform for financial literacy—addressing evolving financial needs and enabling informed decision-making through accessible video content.

## STRENGTHENING TRUST THROUGH ON-GROUND PRESENCE

While digital drove convenience, our grassroots presence ensured familiarity and trust—especially in rural India. By participating in high-footfall local events such as melas and mandis, we created opportunities for face-to-face engagement, answered customer queries, and built lasting relationships.

# DIGITAL INTIATIVES

- Partnered with next-generation fintech lenders to expand offerings into business and supply chain finance, backed by risk-sharing arrangements and digitalized disbursals
- Upgraded the IIFL Loans App, enhancing the customer experience with improved UI/UX, online top-ups, renewals, and faster EMI payments

# MARKETING INITIATIVES

## KEY MARKETING INITIATIVES DURING 2024-25

### Gold loan-focused initiatives

IIFL Finance strengthened its gold loan positioning through the Mahashakti Campaign, highlighting gold as a reliable financial lifeline during uncertain times. Tailored for rural and women borrowers, the campaign was amplified during festive seasons and Women's Day to build emotional and cultural resonance. On-ground Gold Loan Melas and WhatsApp-led promotions were paired with referral tools to boost visibility and customer trust.

### Referral-driven campaigns

To scale organic customer acquisition and improve branch-level engagement, IIFL Finance launched structured referral programs during the year. These included customer-facing referral campaigns as well as internal Referral Leagues at the branch level. Employees were encouraged to actively promote services within their communities, incentivizing both awareness and participation. These initiatives not only boosted lead generation but also helped instil trust, as referrals came from known and credible sources. The customers and employees were able to earn points and use them for various options like Vouchers, Gift Cards, Recharges and Bill Payments.

### Video-first content strategy

Recognizing the growing influence of visual content, IIFL Finance invested in a video-first storytelling approach. Short films and festival-themed reels were developed to emotionally connect with audiences and simplify financial concepts. These videos were deployed across Instagram, Facebook, and YouTube, helping to humanize loan offerings and increase engagement with a younger, digitally savvy demographic.

## AI-powered content creation

To streamline content production and maintain speed-to-market, IIFL Finance adopted an AI-enabled approach for creating marketing material. This technology allowed for the rapid generation of creatives, tailored messaging, and sharper personalisation across customer segments. The AI tools ensured consistency in branding while accelerating the pace and responsiveness of the campaigns.

## Segment-specific targeting

Campaigns were carefully tailored to meet the unique needs of various customer segments. One key strategy focused on women, highlighting their increasing role as financial decision-makers. Through stories and testimonials, the campaigns illustrated how women leveraged gold loans to support family and business needs. Similarly, small businesses were targeted through content that reflected their aspirations and showcased IIFL's MSME lending support.

## Multi-channel customer engagement

A robust multi-channel strategy ensured wide outreach and deeper customer connection. Educational blogs, referral features, and interactive content enhanced digital engagement, while high-footfall rural mandis and melas enabled personal, trust-led conversations. This blend of digital and physical touchpoints helped IIFL Finance stay accessible, relatable, and responsive across its diverse customer base.

# ENABLING PEOPLE WITH OWNERSHIP MINDSET

Our people are the driving force behind our success. We believe in nurturing a high-performing, inclusive, and future-ready workforce that is aligned with our organizational vision and values. Through strategic investments in capability development, digital learning, performance-linked rewards, and employee well-being, we continue to create an environment where individuals thrive, grow, and contribute meaningfully. Our human capital strategy is built on fostering ownership, agility, and continuous learning—empowering our people to lead the Company into its next phase of growth.

| Key challenges | Our response |
|---|---|
| Attracting and retaining frontline and mid-level talent in a highly competitive market, especially for customer-facing and high-turnover roles | Introduced Golden ESOPs and Fly High R&R programs to drive motivation, recognition, and long-term wealth creation |
| Developing managerial effectiveness across dispersed teams, particularly first-time and mid-career managers | Rolled out structured onboarding journeys including digital induction, compliance training, and role-specific tracks to ensure day-1 readiness |
| Ensuring consistent employee engagement across a wide network of branches and diverse workforce profiles | Launched high-impact training programs like the First Time Manager (FTM), Branch Leadership Program (BLP), and EMPOWER to strengthen functional and leadership skills |
| Building future-ready capabilities through continuous upskilling in a fast-evolving regulatory and digital environment | Strengthened engagement through initiatives like #DILSeIIFL, Super Colleague awards, regular townhalls, and regional sports events to foster connection and pride |
| Strengthening cultural alignment and organizational pride among employees across geographies and functions | Enhanced digital learning infrastructure through platforms like Moneyversity (Disprz), offering multilingual, bite-sized, and role-specific content |
| Navigating operational headwinds including the temporary suspension of the gold loan business and muted financial performance, while maintaining workforce morale and organizational stability | Reinforced shared values and identity through storytelling, celebration of success, and employee-led campaigns like #DILSeIIFL. |
| | Maintained organizational resilience by retaining the full workforce during downturns, underlining our people-first philosophy |
| | Leveraged Amber chatbot for AI-enabled sentiment analysis to gather real-time employee feedback, reduce early attrition, and enable proactive engagement |

**38,723**
Total Workforce

**₹ 1,889 Crores**
Total employee cost

## Components of stakeholders relationships

## Material priorities

- Employment practices
- Diversity and inclusion
- Human rights
- Corporate Governance and Ethics
- Community development
- Digitalization
- Regulatory compliance
- Customer satisfaction

## Commitments to UNSDGs

## Empowering the workforce

- Continuous learning and digital upskilling
- Leadership development and career growth
- Employee engagement and real-time feedback
- Recognition, rewards, and ownership
- Inclusive culture and well-being support
- Structured onboarding and performance enablement

## Stakeholders impacted

- Employees
- Investors/ Shareholders
- Government/ Regulators

| Strategic priorities | Progress in FY 2024-25 | Way forward |
|---|---|---|
| **S2** Build capacity and grow customer base through retail focus and geographic expansion | ▹ Conducted over 200 structured learning programs, including BLP, EMPOWER, FTM, and Pragati, focused on functional and leadership capability building | ▹ Expand leadership development initiatives to build a strong internal talent pipeline |
| | ▹ Scaled digital learning with and Moneyversity (Disprz), offering multilingual, mobile-enabled, and gamified content | ▹ Institutionalize hyper-personalized learning journeys aligned to career paths and business needs |
| **S3** Strengthen performance by fortifying our operating processes and risk management | ▹ Rolled out Golden ESOPs and the Fly High R&R program, reinforcing motivation and ownership across levels | ▹ Strengthen data-driven HR decision-making and predictive workforce analytics |
| | ▹ Deepened employee engagement using Amber (Gen AI), capturing real-time feedback and reducing early attrition | ▹ Scale DEIB programs and regional engagement efforts to promote belonging and cultural alignment |
| | ▹ Enhanced inclusion through Shakti Express and tenure-based cohort surveys, reinforcing a bias-free, empowering culture | ▹ Deepen manager accountability through real-time feedback insights and proactive engagement interventions |
| **S4** Continue to invest in digitalization and technology to reduce costs and improve efficiency | ▹ Recognized as a Great Place to Work® for the 7th consecutive year | |
| | ▹ Launched Golden ESOPs scheme, offering shares at a 98% discount to employees across levels, including frontline roles—strengthening long-term wealth creation, ownership mindset, and retention | |

## HIRING AND RETAINING THE BEST OF TALENTS

Hiring and retaining top talent at IIFL Finance is key to our growth strategy. We follow a value-driven hiring process, supported by engaging pre-joining experiences, structured onboarding, and role-specific learning journeys. To retain high performers, we offer career growth, performance-linked rewards, Golden ESOPs, and global recognition through platforms like Fly High—nurturing talent into future-ready leaders.

**100%**
Digital onboarding through structured induction journeys

**Zero layoffs**
During operational disruptions, including gold loan suspension

**Zero salary cuts**
During operational disruptions, including gold loan suspension

## KEY INITIATIVES

### Structured onboarding and role-based induction

Designed and implemented a fully digital, multilingual induction and onboarding journey, including a customized Management Trainee program, resulting in faster role readiness and enhanced new hire experience across diverse employee segments.

### Leadership development and internal mobility

Launched targeted Branch leadership programs (BLP, First-Time Manager) to strengthen internal capabilities and enable structured career progression, supported by an enhanced grade framework.

### Gen AI-Driven engagement (Amber)

Leveraged Amber to engage candidates pre-joining, capture lifecycle-based feedback, and proactively reduce early attrition—enhancing overall employee experience.

### Talent pipeline through I-Ace and NAPS

Built a future-ready talent pipeline through the I-Ace MT Program and NAPS, driving inclusive and sustainable hiring across frontline roles.

### Real-Time recognition via Darwinbox

Enabled instant peer-to-peer appreciation through a digital R&R platform, reinforcing a culture of appreciation, transparency, and continuous motivation.

## LEARNING & DEVELOPMENT

At IIFL Finance, employee development is a strategic priority, supported by high-quality content, advanced technology, and strong project execution. Our commitment to learning begins on day one, with a fully digital 10-hour Induction Journey available in 10 regional languages. This comprehensive program covers functional, regulatory, and cultural aspects of onboarding, ensuring a seamless start for every new joiner.

Induction at IIFL Finance is not a one-time event, but a springboard for continuous capability building. Following the digital induction, employees participate in virtual or classroom-based workshops for deeper functional immersion. We offer specialized onboarding tracks such as the Ace MT Induction and RMO Induction for Marketing, ensuring each role receives a structured and tailored foundation.

All e-learning content is housed on our proprietary Learning Management System, Moneyversity, designed to be accessible across geographies and aligned with best-in-class learning principles. This robust ecosystem empowers our employees to learn anytime, anywhere—driving individual growth and organizational excellence.

### Total sessions conducted in FY 2024-25

**71**
**Unique classroom sessions**
Classroom sessions

**129**
**Unique e-learning sessions**
E-learning sessions

### No. of employees trained in FY 2024-25

**21,096**
Total trained

**15,240**
Total active

**5,856**
Total inactive

### No. of branch managers trained during FY 2024-25

**3,857**
Total trained

**2,588**
Total active

**1,269**
Total inactive

## KEY INITIATIVES

### Learning & Development

**Enabling growth through capability building**

In FY 2024–25, we conducted over 200 targeted programs (Pragati Series, Branch Leadership Program, EMPOWER, 5Cs of Customer Centricity, etc.) to strengthen role-specific capabilities and elevate service standards across the organization. Key focus areas included Gold Loan and Locker Policies, Cross-Selling Skills, the Auction Process, etc.

**Expanding functional excellence through digital learning**

Platforms like Moneyversity and Disprz offered mobile-first, multilingual content with gamified features, enhancing accessibility and engagement. In FY 2024–25, we introduced targeted content for critical roles and processes, including modules for Branch Operations Managers, Udyam Aadhaar Registration, Customer Grievance Redressal, Auction Training, Data Sutram, Branch Visit documentation, and Work-Life Balance.

**Driving business alignment and culture**

In FY 2024–25, several key learning initiatives were delivered in close collaboration with business stakeholders. These included Project Upskilling, Classroom Refreshers across seven critical topics, Branch Upkeep, Fraud and Ethics Training, and Quarterly Assessments.

**Building a future-ready workforce**

In FY 2024–25, our learning ecosystem scaled new heights through a combination of structured programs, agile content creation, cutting-edge technology, and strong cross-functional collaboration. The integration of multilingual content, bite-sized videos, and live-action learning reflects our commitment to innovation and accessibility.

## REWARDS & RECOGNITION

Recognizing and rewarding excellence is central to our people-first approach at IIFL Finance. Our Rewards & Recognition framework celebrates effort, ownership, and impact—through real-time peer appreciation, long-term wealth creation via Golden ESOPs, and global recognition with the Fly High program—driving motivation and retention across the organization.

**100+**
Top performers rewarded through the Fly High international R&R program

**7**
Types of structured Rewards and Recognition formats

## KEY INITIATIVES

### Fly High program

A flagship international recognition platform that rewarded top performers with global exposure and exclusive travel experiences.

### Long service awards

Honored employees for their loyalty and tenure, reinforcing emotional connection and organizational commitment.

### Golden ESOPs scheme

Offered at a 98% discount, this initiative promoted long-term wealth creation and retention across employee levels, including frontline staff.

### Digital Recognition via Darwinbox

Enabled real-time, peer-to-peer appreciation across the organization, creating a culture of instant recognition and continuous motivation.

### Contribution score incentive plan

Aligned performance-based incentives with individual contributions and business outcomes, driving accountability and excellence.

### Integrated R&R ecosystem

Rolled out a unified recognition framework across all verticals and levels, ensuring transparent and inclusive appreciation.

## CONTINUOUS LISTENING & FEEDBACK CULTURE

Established a continuous listening culture through AI-led feedback tools, leadership connects, and cohort-based surveys, enabling timely, data-driven interventions and enhanced employee engagement.

**1,500+**
Feedback interactions recorded through Leadership Connects and skip-level meetings

**10,000+**
Employee responses captured through Amber (Gen AI chatbot)

## KEY INITIATIVES

### Amber – Gen AI Chatbot

Deployed across the employee lifecycle to gather real-time feedback at key milestones such as onboarding, anniversaries, and exits.

### Leadership Connects

Regular townhalls, skip-level meetings, and branch visits conducted to ensure two-way communication and real-time dialogue with leadership.

### MD Townhall

A direct and open feedback channel allowing employees to share thoughts, suggestions, or appreciation with the MD & CEO.

### Pre-Joining engagement via Amber

Launched Phase 2 of Amber to capture candidate feedback even before Day 1, improving offer-to-join ratios and onboarding experience.

### Cohort-Based surveys

11 Designed tenure-based engagement surveys to understand evolving needs of employees at different career stages.

## EMPLOYEE SUPPORT

We support our people at every stage of their journey through policies that promote personal well-being, professional growth, and life balance. From education assistance and sabbaticals to comprehensive health coverage, our employee support framework empowers individuals to thrive with confidence and care.

**1,000+**
Employees benefited from sabbatical leave, education support, or wellness benefits

**48 hours**
Average resolution time through the Darwinbox HR Helpdesk module

## DIVERSITY & INCLUSION

Fostering a sense of belonging is central to IIFL Finance's people-first approach. Through focused DEIB initiatives like Shakti Express, Unconscious Bias Training, and inclusive policies such as gender-neutral daycare and all-women branches, we are building a workplace rooted in equity and representation. Campaigns like #WomenofGold and The Mom Tales celebrate diverse journeys—reinforcing our commitment to an inclusive, empowering culture across the organization.

### KEY INITIATIVES

#### Shakti express platform

Curated conversations with women leaders and role models to inspire, guide, and empower female employees across levels.

#### Unconscious bias training and DEI workshops

Rolled out structured training to sensitize teams and promote equitable workplace practices.

#### #WomenofGold and The Mom Tales Campaigns

Celebrated real stories of resilience, leadership, and life journeys of women employees, reinforcing visibility and belonging.

#### Gender-neutral daycare and parenting support

Introduced inclusive family-support policies to aid work-life balance and support working parents.

#### Inclusive celebrations

Institutionalized events such as International Women's Day and International Men's Day to honor gender diversity and shared workplace contributions.

#### All-Women branches

Launched women-led branches across India to strengthen diversity hiring and create inclusive leadership pipelines.

## HEALTH AND SAFETY

At IIFL Finance, employee well-being is core to our culture. Through comprehensive health coverage, preventive care, and wellness initiatives, we support physical, mental, and emotional health—ensuring every employee feels safe, supported, and empowered to thrive.

**500+**
Employees participated in the Stepathon Challenge

**8,500+**
Employees participated in wellness and DEI initiatives

## KEY INITIATIVES

### Stepathon challenge

A fitness-driven initiative encouraging employees to stay active, with over 500 participants across locations.

### Wellness newsletters

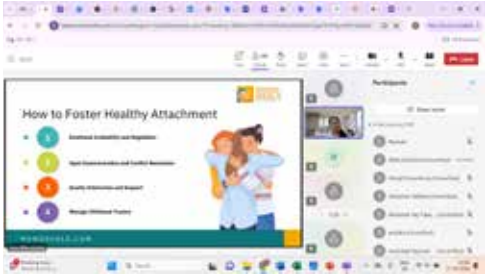
Shared regularly (19 editions) to promote awareness on physical, emotional, and lifestyle well-being.

### Well-being and DEI awareness sessions

Organized 43 sessions engaging over 8,500 employees, focusing on holistic wellness and inclusive practices.

### One-on-One counselling sessions

Provided confidential professional support for mental health, with 38 sessions conducted.




### Community engagement activities

Fostered social wellness and team bonding through structured programs with 523 participants.

### Self-Assessment tools

Enabled employees to reflect on personal well-being through structured assessments and resources.

# GOVERNANCE

# GOVERNANCE THAT ENABLES TRUST AND ENSURES COMPLIANCE

Driven by a commitment to integrity and responsible leadership, IIFL upholds a strong governance framework anchored in transparency, compliance, and ethical conduct. With oversight from an independent Board and dedicated committees, our Company ensures robust risk management, regulatory alignment, and accountability across all levels of operation.

**9**
Directors on the Board of our Company*

**44.44%**
Board representation by Independent Directors*

**13**
Board-level Committees ensuring oversight and compliance*

*As on March 31, 2025

# KEY HIGHLIGHTS

## REGULATORY MATTERS

- Unwavering commitment to regulatory compliance applicable to Middle Layer NBFCs
- Appointed a Chief Compliance Officer (CCO) and set up a dedicated Compliance team to oversee regulatory compliance
- Established independent Board-level committees for Audit, Risk, and Governance
- Automated compliance monitoring tool deployed across 2,800+ branches

## RISK MANAGEMENT AND INTERNAL CONTROL

- Operates an integrated Enterprise Risk Management (ERM) framework aligned with RBI's regulatory expectations
- Risk governance is overseen by a dedicated Risk Management Committee of the Board
- Employs Early Warning Systems and data-driven monitoring tools across portfolios
- Comprehensive risk registers and dashboards track credit, market, operational, liquidity, and reputational risks
- Internal control systems are designed for preventive, detective, and corrective assurance across all operations
- Regular stress testing, scenario analysis, and back-testing validate risk appetite and capital adequacy
- Periodic audits and risk-based internal assessments ensure alignment with internal policies and regulatory standards

## COMMITTEES OF THE BOARD

- The Board is supported by dedicated committees that provide focused oversight, ensure regulatory compliance, and contribute to strategic guidance
- Several committees are chaired by Independent Directors to uphold transparency and accountability
- Committees meet periodically as per regulatory requirements and our Company's internal governance calendar

## STRATEGY AND OVERSIGHT

- The Board provides strategic direction and monitors performance against defined business objectives
- It regularly reviews business plans, capital allocation, risk appetite, and growth priorities
- Strategy execution is closely linked to risk-adjusted return metrics and evolving market opportunities
- Oversight is maintained through a multi-tiered governance structure, including Board-level and management-level Committees
- Key focus areas include digital transformation, retail-led growth, regulatory compliance excellence, and ESG integration

# BOARD OF DIRECTORS

## Mr. Arun Kumar Purwar

**Chairperson & Non-Executive Director**

Mr. Arun Kumar Purwar is the Chairperson & Non-Executive Director of IIFL Finance Limited. He also serves as Chairman & Independent Director of Jindal Panther Cement Private Limited, Jindal Global Capability Centre Private Limited, Alkem Medtech Private Limited as well as Eroute Technologies Private Limited. He is as an Independent Director in companies across diverse sectors like Finance, Pharma, Media, Engineering consultancy, Investment Banking and Fintech sectors. He also acts as an advisor to Mizuho Securities, Japan. He was Chairman of the State Bank of India (SBI) from 2002 to 2006 and Chairman of the Indian Bank Association during 2005 to 2006. He has previously held positions such as Managing Director of State Bank of Patiala and was also associated in the setting up of SBI Life. Post his retirement from SBI, he was associated with a leading industry house in setting up the first healthcare-focused private equity fund as well as a non-banking finance company focused on funding real estate projects as well as educational institutions. He has won a number of awards, including the CEO of the Year Award from the Institute of Technology and Management (2004), 'Outstanding Achiever of the Year' Award from the Indian Banks' Association (2004) and 'Finance Man of the Year' Award by the Bombay Management Association in 2006.

## Mr. Nirmal Jain

**Managing Director**

Mr. Nirmal Jain is the Promoter and Managing Director of IIFL Finance Limited and the founder of the IIFL Group. Since founding the Group in 1995, he has led its transformation into one of India's most respected and diversified financial services institutions. Under his leadership, the Group has established a strong presence across wealth and asset management, consumer lending, securities trading, and discount broking. IIFL today serves a rapidly expanding customer base and commands significant market capitalization across its listed entities. IIFL Finance Limited, the flagship company, is widely recognized as a leading player in India's financial services landscape.

Mr. Jain is widely respected for his visionary leadership and pioneering role in driving technology-led transformation in the financial sector. His emphasis on digital innovation, customer-centricity, and product excellence has fueled the Group's consistent growth and earned the trust of marquee global investors. Beyond business, Mr. Jain is a strong advocate for financial inclusion and girl child literacy, actively working to broaden access to financial tools, education, and opportunity across India. He is also an active member and supporter of the Jain International Trade Organisation (JITO).

Mr. Jain holds a Post Graduate Diploma in Management from the Indian Institute of Management Ahmedabad and is a rank-holder Chartered Accountant and Cost Accountant. He began his career with Hindustan Unilever in 1989 before founding IIFL as an independent equity research firm. With over three decades of industry experience, Mr. Jain continues to play a defining role in shaping the future of financial services in India.

## Mr. R. Venkataraman

**Joint Managing Director**

Mr. R. Venkataraman is the Co-Promoter and Joint Managing Director of the Company and has been an integral part of the IIFL Group since 1999. Over the past two decades, he has played a central role in driving the Group's strategic direction, guiding its transformation into a diversified and future-ready financial services institutions. As a Co-Promoter of IIFL Finance Limited, he has been instrumental in shaping the Company's expansive presence across lending, wealth management, and capital markets. Under his leadership, IIFL Finance has emerged as one of India's leading financial conglomerates and is recognized as one of the leading independent financial services Company in the Country. With more than 34 years of experience in the financial services industry, Mr. Venkataraman has led several high-impact business initiatives, fostering innovation and growth across key verticals. His vision and unwavering focus on execution have been critical to the Group's sustained performance and its reputation as one of India's most trusted financial brands.

Mr. Venkataraman is known for his strategic acumen, operational discipline, and strong execution, which have collectively contributed to enhancing the Group's value proposition and investor confidence. Before his tenure at IIFL, he held senior positions at ICICI Limited, Barclays BZW and GE Capital Services India Limited. His diverse background across banking, investment, and financial strategy has enriched the Group's capabilities and vision.

Mr. Venkataraman holds a Post Graduate Diploma in Management from the Indian Institute of Management Bangalore and a Bachelor's degree in Electronics and Electrical Communications Engineering from the Indian Institute of Technology, Kharagpur.

## Mr. Gopalakrishnan Soundarajan

**Non-Executive Director**

Mr. Gopalakrishnan Soundarajan is a Non-Executive Director of our Company. He is the Chief Executive Officer and Director of Fairfax India Holdings Corporation and the Managing Director, India, at Hamblin Watsa Investment Counsel (Hamblin Watsa), a wholly owned subsidiary of Fairfax Financial Holdings Limited (Fairfax). Before his roles with Fairfax and Hamblin Watsa, he was the Chief Investment Officer of ICICI Lombard from 2001 to 2018 and was a member of the Investment Committee.

He is a member of the Institute of Chartered Accountants of India and holds a bachelor's degree in Commerce from the University of Madras. He is also a Qualified Chartered Financial Analyst and a Member of the CFA Institute in the United States. He is currently serving as Director on the Board of Quess Corp Limited, Thomas Cook (India) Limited, Go Digit Life Insurance Limited, Go Digit General Insurance Company Limited, Digitide Solutions Limited, Bluspring Enterprises Limited, Primary Real Estate Investments, FIH Private Investments Limited, FIH Maurius Investments Limited, 10955230 Canada Inc. and Fairfirst Insurance Limited, Sri Lanka. He is a Nominee Director at Bangalore International Airport Limited and chairman at Anchorage Infrastructure Investments Holdings Limited.

## Mr. Nihar Niranjan Jambusaria

**Non-Executive Independent Director**

Mr. Nihar Niranjan Jambusaria is a Member of the Institute of Chartered Accountants of India (ICAI). His illustrious career includes serving as the President and Vice President of the ICAI for the year 2021-22 and 2020-21, respectively. Since 1984, Mr. Jambusaria has been a senior partner at N. N. Jambusaria & Co., Chartered Accountants. His consultancy services extend to the renowned Reliance group and various organizations in the private and public sectors. He specializes in Direct Tax, International Tax, Mergers & Acquisitions, FEMA, and Business Restructuring. Previously, Mr. Jambusaria held the position of Senior Vice President at Reliance Industries Ltd. from 2011 to April 2020. His contributions to the field extend beyond the corporate realm.

Mr. Jambusaria has served as a Member of the Government Accounting Standards Advisory Board (GASAB) and the Audit Advisory Board of the Comptroller and Auditor General (CAG), highlighting his commitment to excellence and professionalism in the accounting industry. He has served as President of South Asian Federation of Accountants (SAFA) in 2023.

## Mr. Ramakrishnan Subramanian

**Non-Executive Independent Director**

Mr. Ramakrishnan Subramanian is a Chartered Accountant, Cost Accountant and holds a Masters degree in Commerce. He has served several leading Banks, FIs in leadership roles since 1990 in India and abroad. He has also served as a Board member of ING Vysya Bank and Shriram Capital, Shriram Transport, Shriram City Union, in the past apart from having done Leadership roles-Country Head, CEO & MD, Asia Regional head roles at Citibank, HDFC Bank, Standard Chartered, ING & others. He currently runs a Domain consultancy & Advisory practice and is a Sr. Advisor, Operating Partner, Consultant with PE, VC, FIs and Fintechs in India & Asia. In the financial sector, his expertise and experience are in Commercial & Retail Financing – Mortgage, LAP, Personal Loans, Business Loans, SME, LAS, Gold, Auto, CV/CE, Securitisation, Governance. He has worked in senior capacities involving Strategy, Board, Governance coupled with strong track record on execution across functions covering Channels, Product, Pricing, Portfolio management, Funding, Credit policy, Credit underwriting, Collections management of large Universal banks, Non-Banking Financial Companies ('NBFCs') and Fintech.

## Mr. T S Ramakrishnan

**Non-Executive Nominee Director**

Mr. Tritala Subrramanian Ramakrishnan held the position of General Manager at LIC Housing Finance Ltd, one of India's leading housing finance companies, before being appointed as the Managing Director and Chief Executive Officer of LIC Mutual Fund. Mr. Ramakrishnan started his career as a direct recruit officer with LIC of India in 1988 and has risen through the ranks to this position. In a career spanning over three decades in the corporation, Mr. Ramakrishnan has made his mark in the areas of training, Marketing and Pension & Group business. He has served as Regional Head of Pension & Group business of LIC's South Central Zone. He was the Senior Divisional Manager In-charge of Delhi Division. He has also had a stint as Vice Principal in Zonal Training Centre.

Mr. Ramakrishnan holds a B.Com (Hons) degree from the University of Delhi and a Post Graduate Diploma in Management. He is a Fellow of the Insurance Institute of India. He also holds a Diploma in Health Insurance. He was also on the Board of AMFI (Association of Mutual Funds in India).

## Mr. Bijou Kurien

**Non-Executive Independent Director**

Mr. Bijou Kurien is a highly regarded consumer leader with more than 40 years of experience in developing brands, businesses, and establishing organizations. He has worked with prominent brands in the fast-moving consumer products, consumer durables, and retail sectors in India. Upon completing his PGDBM at XLRI Jamshedpur, he began his career at Hindustan Unilever as a Management Trainee in 1981. Throughout his accomplished tenure of more than six years, he held multiple positions in sales and marketing. Subsequently, he transitioned to Titan, the largest manufacturer and marketer of watches and jewellery in India. He contributed to the start-up team, assisting in the creation of some of India's most sought-after lifestyle and accessories brands, and played a key role in building the largest exclusive brand retail chains. During his 19 years at Titan, he contributed significantly to the company's success and established the groundwork for India's most valued consumer lifestyle brands. Motivated by the chance to establish a new standard in Indian retail, he took on the role of President & CEO at Reliance Industries for their bold Retail initiative — Reliance Retail. He played a key role in its establishment and development from 2006 to 2014. Currently, Reliance Retail stands as a leader in Indian retailing and ranks among the fastest growing retailers globally. He has transitioned from operational roles to advisory positions within private equity firms and their investee companies. He is presently a member of the Strategic Advisory Board of Premji Invest and KKR, helping companies like Lenskart, Lighthouse Learning, GIVA, and others to evolve into unicorns and beyond. He serves as the Chairman of the Retailers Association of India (RAI), reflecting his extensive involvement in the growth of retail in India. He has been linked to the World Retail Congress (WRC) since it was established in 2007. Alongside these positions, he holds the role of Independent Director on the Boards of various listed and unlisted companies across the technology, infrastructure, hospitality, and education sectors.

## Ms. Nirma Bhandari

**Non-Executive Independent Director**

Ms. Nirma Anil Bhandari is a Cost Accountant and embodies an extensive experience of 20+ years.

Ms. Bhandari mentors the Information Risk Management segment of a leading advisory firm, wherein, during the last 20 years, she has acquired substantial knowledge in the areas related to Information Technology Risk, Audit, Cyber Security, Governance, Risk and Compliance, Data Privacy and Robotics GRC. Thanks to her in-depth experience in assessing risks for data centres, networks, varied technology platforms and core IT processes, Ms. Bhandari has helped large enterprises by consulting/implementing cutting-edge solutions in cybersecurity and the best practices for critical technology risk functions. She has led teams in various engagements for regulatory advisory assessments, frameworks, consulting, reviews, audits, training, etc., for large Banking, Telecom, Insurance, Mutual Funds, and Other Financial and Non-Financial Services companies. Ms. Bhandari devotes her time to philanthropic activities through her family foundation that focuses on child welfare and also actively volunteers through several NGOs that support various causes.

# MANAGEMENT TEAM

**Mr. Nirmal Jain**
Managing Director

**Mr. R. Venkataraman**
Joint Managing Director

**Mr. Kapish Jain**
Chief Financial Officer

**Mr. Abhiram Bhattacharjee**
Chief Operating Officer

**Mr. Monu Ratra**
ED & CEO
IIFL Home Loans Limited

**Mr. Mayank Sharma**
Head Internal Audit

**Mr. Pranav Dholakia**
Chief Risk Officer

**Mr. N. Venkatesh**
Managing Director
IIFL Samasta Finance Limited

**Mr. Shivalingam Pillai**
Chief Compliance Officer

**Mr. Samrat Sanyal**
Company Secretary &
Compliance Officer

**Ms. Preeti Kannan**
Chief Human Resources Officer

**Mr. Gaurav Sharma**
Chief Technology Officer

**Mr. Manav Verma**
Chief Marketing Officer

**Mr. Govind Modani**
Head – Treasury

**Mr. Amlan Singh**
Head – Operations and Customer Service

**Ms. Kirti Timmanagoudar**
Head – Co-lending & Strategic Alliances

**Mr. Amit Sharma**
VP – Unsecured Lending

**Mr. Rahul Bolia**
Vice President – Gold Loan

**Mr. Rupesh Samani**
Head – Legal

**Mr. Mahesh Mimani**
Head – Resolutions

**Mr. Sameer Gadve**
Chief Information Security Officer

**Mr. Sourav Mishra**
Head – Corporate Communication

# AWARDS AND ACCOLADES

- IIFL Finance received the 'Most Trusted NBFC' for 2023 award at NBFC & Fintech Leadership Awards 2024
- IIFL Finance received the 'Corporate Governance Excellence Award' – NBFC at the NBFC & Fintech Leadership Awards 2024
- IIFL Finance received the 'Best Customer Experience Initiative' – NBFC award at the NBFC & Fintech Leadership Awards 2024
- IIFL Finance listed among 'India's Top 25 Best Workplaces in BFSI' for the year 2025 by Great Place To Work® India.
- IIFL Finance was 'Great Place To Work® Certified™ in India' for the period (February 2025 - February 2026).
- IIFL Finance received award for 'Best Brand Building Campaign - NBFC for its 'Customer Testimonial' Campaign at the Bharat NBFC & Fintech Summit and Awards 2024
- IIFL Finance received the 'Best Technology based NBFC' award at Bharat NBFC & Fintech Summit and Awards 2024
- IIFL Finance received the 'Best NBFC in Customer Experience of the Year' award at Bharat NBFC & Fintech Summit and Awards 2024
- IIFL Finance received the 'Best Data Driven NBFC of the Year' award at the NBFC & Fintech Leadership Awards 2024
- IIFL Finance received the 'Best Cyber Security Initiative' – NBFC award at the NBFC & Fintech Leadership Awards 2024
- IIFL Finance received the 'Great Indian Corporate Treasury - Leadership in Risk Management' award at the Great Indian Treasury Leaders' Summit and Awards
- Rajasthan Government has felicitated IIFL Foundation and its Director Mrs. Madhu Jain with 'Bhamashah Samman' for outstanding contribution in the field of education and particularly in the area of girl child literacy.
- IIFL Finance received 'Great Indian Audit Team of the Year' at the Great Indian Audit Leader Summit and Awards 2024.
- IIFL Foundation received 'Best Skill Development Program' award for its Retail and Hospitality Training program in Kashmir at CSR Summit and Awards
- IIFL Foundation received the 'Best Social Welfare Program' award for IIFL Foundation's Dharamshala for Patients at Maharana Bhupal Hospital at CSR Summit and Awards
- Mrs. Madhu Jain , Director - IIFL Foundation received 'CSR Leadership Award' at CSR Summit and Awards

# CORPORATE INFORMATION

## Board of directors

**Mr. Arun Kumar Purwar**
Chairperson & Non-Executive Director

**Mr. Nirmal Bhanwarlal Jain**
Managing Director

**Mr. R Venkataraman**
Joint Managing Director

**Ms. Nirma Bhandari**
Independent Director

**Mr. Ramakrishnan Subramanian**
Independent Director

**Mr. Gopalakrishnan Soundarajan**
Non-Executive Director

**Mr. T S Ramakrishnan**
Non-Executive Nominee Director

**Mr. Bijou Kurien**
Independent Director

**Mr. Nihar Niranjan Jambusaria**
Independent Director

## Committees of board composition

### Nomination and Remuneration Committee

**Mr. Nihar Niranjan Jambusaria,**
Chairperson

**Mr. Bijou Kurien,**
Member

**Mr. Arun Kumar Purwar,**
Member

### Stakeholders Relationship Committee

**Mr. Bijou Kurien,**
Chairperson

**Mr. Arun Kumar Purwar,**
Member

**Mr. R Venkataraman,**
Member

### Corporate Social Responsibility Committee

**Mr. Bijou Kurien,**
Chairperson

**Mr. Nihar Niranjan Jambusaria,**
Member

**Mr. R Venkataraman,**
Member

### Asset Liability Management Committee

**Mr. R Venkataraman,**
Chairperson

**Mr. Arun Kumar Purwar,**
Member

**Mr. Ramakrishnan Subramanian,**
Member

**Mr. Kapish Jain,**
Member

**Mr. Pranav Dholakia,**
Member

**Mr. Govind Modani,**
Member

### IT Strategy Committee

**Ms. Nirma Bhandari,**
Chairperson

**Mr. Bijou Kurien,**
Member

**Mr. Ramakrishnan Subramanian,**
Member

**Mr. Pranav Dholakia,**
Member

**Mr. Gaurav Sharma,**
Member

### Audit Committee

**Mr. Nihar Niranjan Jambusaria,**
Chairperson

**Mr. Arun Kumar Purwar,**
Member

**Mr. Ramakrishnan Subramanian,**
Member

**Ms. Nirma Bhandari,**
Member

### Risk Management Committee

**Mr. Nihar Niranjan Jambusaria,**
Chairperson

**Mr. R. Venkataraman,**
Member

**Ms. Nirma Bhandari,**
Member

**Mr. Ramakrishnan Subramanian,**
Member

**Mr. Pranav Dholakia,**
Member

### ESG Committee

**Mr. Arun Kumar Purwar,**
Chairperson

**Mr. R Venkataraman,**
Member

**Mr. Nihar Niranjan Jambusaria,**
Member

**Ms. Nirma Bhandari,**
Member

**Ms. Madhu Jain,**
Member

**Mr. Pranav Dholakia,**
Member

**Mr. Kapish Jain,**
Member

### Customer Service Committee

**Mr. Nihar Niranjan Jambusaria,**
Chairperson

**Mr. Bijou Kurien,**
Member

**Mr. R Venkataraman,**
Member

## Chief financial officer

**Mr. Kapish Jain**

## Company Secretary & Compliance Officer

**Mr. Samrat Sanyal**

## Statutory auditors

**M/s. Sharp & Tannan Associates and M/s. G. M. Kapadia & Co.**
(Joint Statutory Auditors-For IIFL Finance Limited)

**M/s. S.R. Batliboi & Associates LLP**
**M/s. Sundaram & Srinivasan**
(Joint Statutory Auditors-For IIFL Home Finance Limited)

**M/s. Suri & Co**
(For IIFL Samasta Finance Limited)

## Registrar and share transfer agent

**MUFG Intime India Private Limited**
(Formerly Link Intime India Private Limited)
C-101, Embassy 247, L.B.S Marg,
Gandhi Nagar, Vikhroli (West),
Mumbai – 400 083

## Debenture trustees

### Catalyst Trusteeship Limited

GDA House, 1st Floor, Plot No. 85 S. No. 94 & 95,
Bhusari Colony (right), Kothrud,
Pune - 411038,
Tel:- +9122 4922 0555
Email: complianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

### IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R. Kamani Marg,
Ballard Estate, Mumbai - 400001
Tel: +91 22 4080 7001
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

### Vardhman Trusteeship Private Limited

3rd Floor, Room No - 156, Lyons Range, Turner Morrison House, Counsil House Street. Kolkata – 700-001
Email: corporate@vardhmantrustee.com
Website: https://vardhmantrustee.com/

### Beacon Trusteeship Limited

Address: 4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club,
Gandhi Nagar,
Bandra (East), Mumbai – 400 051
Tel: +91 222655 8759
E-mail: compliance@beacontrustee.co.in
Website: http://beacontrustee.co.in/

### Vistra ITCL (India) Limited

6th Floor, The IL&FS Financial Center
Plot No. C–22, G Block, BKC
Bandra (East), Mumbai - 400051
Tel: +91 22 6930 0000
Email: VistraITCL.Support@vistra.com
Website: www.vistraitcl.com

### SBICAP Trustee Company Limited

Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400051
Tel: +91 22 4302 5555
Email: helpdesk@sbicaptrustee.com
Website: www.sbicaptrustee.com

## Registered office

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane – 400 604

## Corporate office

802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri (East), Mumbai – 400 069

## List of bankers of the company & its subsidiaries

Axis Bank Limited
Bandhan Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
DBS Bank Limited
DCB Bank Limited
Deutsche Bank A.G.
Dhanlakshmi Bank Limited
Federal Bank Limited
HDFC Bank Limited
Hong Kong and Shanghai Banking Corporation Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Indian Bank
Indian Overseas Bank
Industrial and Commercial Bank of China
Jana Small Finance Bank Limited
Karnataka Bank Limited
Karur Vysya Bank Limited
Kookmin Bank
Kotak Mahindra Bank Limited
Mizuho Bank Limited
Odhisha Gramin Bank
Punjab National Bank
Punjab Sind Bank
RBL Bank Limited
SBM Bank (India) Limited
Shinhan Bank
Standard Chartered Bank
State Bank of India
Suryoday Small Finance Bank Limited
Ujjivan Small Finance Bank Limited
Union Bank of India
Utkarsh Small Finance Bank Limited
Woori Bank
YES Bank Limited

# REPORT OF THE BOARD OF DIRECTORS

Dear Members,

The Board of Directors (the "Board") is pleased to present the Thirtieth Annual Report of IIFL Finance Limited (the "Company") on the business and operations of the Company, together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025. The Company is registered with the Reserve Bank of India ("RBI") as a Middle Layer ("NBFC-ML") entity under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI SBR Direction").

## 1. FINANCIAL HIGHLIGHTS

A summary of the financial performance of the Company and its subsidiaries, for the Financial Year ended March 31, 2025, is as under:

(₹ in Crore)

| Name of the Company | Revenue | Profit/(Loss) After Tax |
|---|---|---|
| IIFL Finance Limited | 4,066.17 | (409.57) |
| IIFL Home Finance Limited ("HFC")* | 3,706.78 | 976.50 |
| IIFL Samasta Finance Limited ("Samasta") | 2,499.48 | 20.40 |
| IIFL Open Fintech Private Limited ("IIFL Open") | 0.22 | (9.18) |

* includes IIHFL Sales Limited, wholly-owned subsidiary of HFC.

The consolidated and standalone financial statements of the Company for the financial year ended March 31, 2025, prepared as per Indian Accounting Standards ("Ind AS") and in accordance with the provisions of the Companies Act, 2013 ("the Act") forms part of this Annual Report. The financial performance during the financial year 2024-25 compared with the previous financial year 2023-24, is summarized below:

(₹ in Crore)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | FY2024-25 | FY2023-24 | FY2024-25 | FY2023-24 |
| Total income | 10,237.07 | 10,490.47 | 4,080.16 | 4,649.43 |
| Profit before Finance Cost, Depreciation Amortization Expenses and Tax Expenses and Exceptional Items | 5,651.60 | 6,620.51 | 2,021.43 | 2,566.96 |
| **Less:** Finance Cost | 4,169.52 | 3,867.78 | 1,848.72 | 1,702.08 |
| Depreciation | 188.57 | 180.82 | 136.98 | 134.90 |
| Exceptional items | 586.50 | - | 586.50 | - |
| Profit/(Loss) before tax | 707.01 | 2,571.91 | (550.77) | 729.98 |
| **Less:** Current tax | 365.76 | 610.57 | 77.39 | 188.91 |
| Deferred tax | (230.36) | (10.48) | (218.59) | (41.45) |
| Short/(Excess) provision relating to previous year | (6.55) | (2.40) | - | (2.26) |
| Profit/(Loss) for the year | 578.16 | 1,974.22 | (409.57) | 584.78 |
| Other Comprehensive Income /(Loss) net of tax | (13.27) | (17.30) | (3.06) | (7.94) |
| Total Comprehensive Income/(Loss) net of tax | 564.89 | 1,956.92 | (412.63) | 576.84 |
| **Attributable to:** | | | | |
| Owners of the Company | 367.54 | 1,747.77 | (412.63) | 576.84 |
| Non-controlling interests | 197.35 | 209.15 | N.A. | N.A. |
| **Less:** Appropriations | | | | |
| Dividend | - | 182.24 | - | 152.59 |
| Transfer to/ from Other Reserves | 204.04 | 422.59 | - | 116.96 |
| Change in Minority | 2.69 | 0.22 | - | - |
| **Add:** Balance brought forward from the previous year | 4,167.58 | 3,024.86 | 1,686.60 | 1,379.31 |
| **Balance to be carried forward** | **4,328.39** | **4,167.58** | **1,273.97** | **1,686.60** |

Note: Previous period's figures have been regrouped/rearranged wherever necessary.

# REPORT OF THE BOARD OF DIRECTORS

**Transfer to Reserve**

Under Section 45-IC (1) of RBI Act, 1934, Non-Banking Financial Companies ("NBFCs") are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, during the year under review, your Company transferred the below mentioned amount to Special Reserves and to the General Reserve out of the Retained Earnings, as mentioned below:

(₹ in Crore)

| Particulars | Standalone | Consolidated |
|---|---|---|
| | FY 2024-25 | FY 2024-25 |
| Special Reserve during the year (Pursuant to Section 45-IC (1) of the Reserve Bank of India Act, 1934) | - | 4.04 |
| Special Reserve during the year (Pursuant to Section 29C (1) of National Housing Bank Act, 1987) | Not Applicable | 200.00 |
| General Reserve during the year | 4.72 | 4.91 |

## 2. REVIEW OF BUSINESS, OPERATIONS AND STATE OF AFFAIRS OF YOUR COMPANY AND OUTLOOK

Details of business, operations and state of affairs of your Company is provided in the Management Discussion and Analysis Report. Refer page 204 of the Report.

## 3. MACROECONOMIC OVERVIEW

Details on macroeconomic overview of your Company is provided in the Management Discussion and Analysis Report. Refer page 204 of the Report.

## 4. DIVIDEND DISTRIBUTION POLICY AND DIVIDEND

As stipulated in Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board has adopted a Dividend Distribution Policy which is annexed as "**Annexure I**" to this Report and is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-03/Dividend_Distribution_Policy_04032025.pdf.

In line with the principles of financial prudence and capital conservation, the Board has decided not to recommend any dividend for the financial year 2024-25. The Company remains focused on strengthening its operational and financial position in the forthcoming period.

## 5. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In accordance with the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company is required to transfer all unclaimed or unpaid dividends, along with the corresponding shares in respect of which dividends have remained unclaimed for seven (7) consecutive years, to the Investor Education and Protection Fund (IEPF).

Similarly, in the case of Non-Convertible Debentures ("NCDs"), the unclaimed interest and principal amounts are also required to be transferred to the IEPF Authority within thirty (30) days from the expiry of seven (7) years from the respective due dates of payment, as per the provisions of the IEPF Rules.

During the year under review, the Company transferred ₹10,73,225 on April 4, 2025 being the unclaimed dividend amount, pertaining to the FY 2017-18 and has also transferred unclaimed interest and principal amount on NCDs of ₹ 13,90,821.68 to the IEPF.

The shares on which dividend has not been claimed by the Members for seven (7) consecutive years shall be transferred to demat account of the IEPF Authority within thirty (30) days of expiry of the said period. Accordingly, various steps are being taken on an ongoing basis to reach out to the Shareholders, through email and other means, whose shares are due to be transferred to the IEPF, in order to create awareness and provide them an opportunity to claim their unclaimed dividends. In view of the aforesaid, the Company had also published the notice in the leading newspapers in English and Regional Language having wide circulation to inform them about the said transfer to IEPF. Post closure of the financial year, the Company, in accordance with the above provisions, transferred 8,652 equity shares to the IEPF.

In compliance with Securities and Exchange Board of India ("SEBI") Circular No. SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated November 8, 2023, relating to unclaimed amounts in respect of listed Non-Convertible Securities, the Company has put in place a procedural framework for handling unclaimed interest

and redemption amounts lying with it. The Company has also adopted the "Policy on transfer of Unclaimed Amounts to Escrow Accounts and claim thereof by Investors", which outlines the process for investors to claim such amounts. The policy is available on the Company's website at https://storage.googleapis.com/iifl-finance-storage/files/2024-03/IEPF_Policy.pdf.

## 6. KEY INITIATIVES/DEVELOPMENTS

### a. Public Issue of Non-Convertible Debentures

During the year under review, your Company has filed a Shelf Prospectus on March 29, 2025, with the Registrar of Companies and SEBI, to raise through Public Issue of Secured, Rated, Listed, Redeemable NCDs an amount aggregating up to ₹ 2,500 Crore. The Company also filed a Tranche I Prospectus on March 29, 2025 read with the corrigendum to the Tranche I prospectus dated April 2, 2025 with the Registrar of Companies to raise through Public Issue of Secured, Rated, Listed, Redeemable NCDs an amount aggregating up to ₹ 100 Crore with an option to retain oversubscription of ₹ 400 Crore. These NCDs were alloted on April 21, 2025, and are listed and traded on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Additionally, during the year under review, IIFL Home Finance Limited ("HFC") raised through Public Issue of Secured, Redeemable NCDs an amount of ₹ 380 Crore. These NCDs are listed and traded on NSE and BSE. IIFL Samasta Finance Limited ("Samasta") raised through Public Issue of Secured, Redeemable NCDs an amount of ₹ 181 Crore. These NCDs are listed and traded on BSE.

### b. Issuance of Non-Convertible Debentures on a Private Placement basis

During the year under review, your Company raised through Private Placement of NCDs an amount aggregating to ₹ 2,450 Crore. These NCDs are listed and traded on NSE and/or BSE.

Additionally, during the year under review, HFC raised ₹ 550 Crore through Private Placement of Redeemable NCDs, and Samasta raised ₹ 367 Crore through Private Placement of Redeemable NCDs. The said Privately Placed NCDs issued by HFC are listed and traded on NSE, while NCDs issued by Samasta are listed and traded on BSE.

### c. Bank Refinance

During the year under review, HFC had availed ₹1,700 Crore of refinance facility from National Housing Bank ("NHB") under various refinance schemes.

### d. Funds raised by way of other Borrowings

During the year under review, your Company raised ₹ 1,950 Crore through term loans from various banks. Additionally, HFC and Samasta raised ₹ 2,086 Crore and ₹ 2,288 Crore, respectively, through term loans from various banks and financial institutions.

### e. International credit rating from S&P Global Ratings

During the year under review, your Company has secured long term issuer rating of B+/Stable and short term issuer rating of B from S&P Global Ratings.

### f. Issuance of Global Medium Term Note Programme

During the year under review, your Company has raised an amount aggregating to USD 425 Million, in multiple tranches, through issue of Senior, Secured, Fixed Rate Notes due 2028 ("Notes") as part of the USD 1 billion Global Medium Term Note Programme updated by the Company by way of offering circular dated December 31, 2024. These Notes are listed and traded on India International Exchange (IFSC) Limited.

### g. Acquisition of shares of IIFL Open Fintech Private Limited (Subsidiary Company)

During the year under review, in a significant strategic move, your Company acquired the remaining 82,47,312 equity shares of IIFL Open Fintech Private Limited, thereby making it a wholly-owned subsidiary. This acquisition reflects the Company's commitment to enhancing its digital capabilities, expanding its fintech offerings, and reinforcing its position in the evolving financial services landscape. By bringing IIFL Open Fintech Private Limited under full ownership, the Company aims to leverage its innovative technology platforms to deliver integrated financial solutions, deepen customer engagement, improve operational efficiency, and create synergies across business segments, in line with its long-term value creation strategy.

### h. Fund raising by way of Rights Issue:

During the year under review, your Company raised funds by way of issuance of Equity Shares

# REPORT OF THE BOARD OF DIRECTORS

on a Rights basis ("Rights Issue") from its existing eligible shareholders of the Company, in accordance with applicable provisions of the Act, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and other applicable laws. Accordingly, the Company made an allotment of 4,23,94,270 fully paid-up equity shares of face value of ₹2 each of the Company on May 17, 2024, for cash at a price of ₹300 per equity share (including a premium of ₹298 per equity share) for an amount aggregating to ₹1,271.83 Crore, on a rights basis to the eligible equity shareholders of the Company.

## 7. UTILIZATION OF FUNDS

During the year under review, your Company successfully raised additional capital through rights issue of equity shares to its existing shareholders and the issuance of Non-Convertible Debentures (NCDs) on a private placement basis. These funds were raised to support the Company's growth plans, strengthen its balance sheet, and ensure adequate liquidity to meet operational and regulatory requirements.

The proceeds from the rights issue were primarily utilized to augment the capital base, repay certain high-cost borrowings, and meet general corporate purposes, including investments in technology, digital infrastructure, and business expansion initiatives.

The utilization of proceeds has been in line with the objects stated in the offer documents, and the Board periodically reviews their deployment to ensure compliance and effective use of capital.

## 8. CORPORATE SOCIAL RESPONSIBILITY ("CSR") INITIATIVES

The CSR Committee of the Board has formulated and recommended to the Board a CSR Policy indicating the CSR activities which can be undertaken by the Company. The Board approved the CSR Policy which is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf

IIFL group has set-up IIFL Foundation, a Section 8 Company incorporated under the Act which acts as the principal arm to undertake CSR initiatives on behalf of your Company and its subsidiary. IIFL Foundation through its CSR initiatives addresses 5 thematic areas – Health, Education and Environment, Livelihood & Poverty Alleviation, collectively – HELP.

As per Rule 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, IIFL Foundation has registered itself with the Central Government by filing the e-Form CSR-1 with the Registrar of Companies.

IIFL Foundation has identified focus areas for CSR initiatives which includes:

- Medical Camp at Barsana, District Mathura in Uttar Pradesh, offering free of cost Cataract Operations, Dental Check-ups, Treatments and Surgeries;
- Medical Camp at Pandharpur, District Solapur in Maharashtra, offering free of cost treatment to thousands of pilgrims visiting in month of July;
- Repair and renovation of Dharamshala at the Maharana Bhupal Government Hospital, Udaipur, Rajasthan, by upgrading 6 Halls, 31 washrooms and 36 rooms, benefiting the marginalised population under treatment at the Government hospital;
- Emergency Medical Assistance at the Mahakumbh Mela in Prayagraj, Uttar Pradesh, offering life-saving services at the massive gathering with Emergency Medical Assistance Boats (with rescue swimmers), Doctors and trained volunteers;
- A first-aid workshop on conducting life-saving CPR (Cardiopulmonary Resuscitation) during medical emergency in Mumbai, Maharashtra;
- Donation of an Ambulance to the Sub District Hospital – Lolab, Kupwara, an aspirational district in Jammu & Kashmir;
- Donation of Medical Equipment - Endohold ENT surgical machine and Frenzel Goggles pack, to ENT Department at the Maharana Bhupal Government Hospital in Udaipur, Rajasthan;
- Building foundational literacy among females from marginalised communities of Rajasthan, through flagship programme 'Sakhiyon ki Baadi', which has an overall reach across 5 districts with 255 learning centres;
- Digital Shaala programme in Government Schools through 50 television sets upgraded with educational content to improve students learning experience, in the grade 6$^{th}$-8$^{th}$, especially for girls from 10 to 16 years of age;
- Support for Education and Nutrition of boys at Shelter Home in Mumbai, Maharashtra;

- Smart Shala programme to promote Academic Learning of Teachers and Students at Government schools in Jodhpur, Bikaner & Jaipur. This programme engaged 1.11 lakh students and 3,010 teachers across 1,505 Government schools;
- Setting up and operating an English Language Lab and Computer Lab at 2 Government schools in Rajsamand District, Rajasthan, to improve learning outcomes of the students;
- Support to a Primary School in Kandivali, Mumbai, Maharashtra, for education of children from financially weaker group residing in slums;
- Provided essential IT equipment to setup E-learning centre for children with special needs (Intellectual Disability);
- An awareness program on Girls Education (Akshar Jyoti) among rural communities promoting importance of Education for girls, subsequently assisting their enrolment at Government School, in Udaipur, Rajasthan;
- Financial literacy program for Girls students at Government Girls School in Udaipur district of Rajasthan;
- Support to setup a Computer Lab at Sri Ramkrishna Mission (SRKM) Vivekanand Girls High School, Chennai, Tamil Nadu;
- Supported surveying of Rajasthan state for the Annual Status of Education Report (ASER) 2024 facilitated by Pratham Foundation;
- Supported upgradation of school for children of marginalised (Scheduled Tribe) with construction at classroom and a Kitchen at Sarvalli village in Dahanu (Taluka), Palghar district of Maharashtra;
- A skill development course on Banking and Finance for 30 youths from lower income groups, in Mumbai, Maharashtra;
- Homestay Host Training, a skill development programme for youths at Tezu, Arunachal Pradesh, to offer livelihood to the native population and help promote tourism. The project is supported by the National Cadet Corp (NCC) - India, under the Ministry of Defence;
- Skill development programmes in Hospitality Training Programme (Chef Trade – Commis Chef) for youths residing at Kupwara (Aspirational) district in Kashmir. The programme is supported by Indian Army;
- Conducted Relief activity at Flood affected site in Dibrugarh, Assam;
- Support to 35th Maharashtra State Police Sports Competition held in Thane, Maharashtra;
- Donated haematology analyser for blood testing to provide detailed information about the different types of blood cells, including red blood cells (RBCs), white blood cells (WBCs), and platelets;
- Set up English language labs in government schools to strengthen English comprehension and language skills;
- Extended salary support to contract teachers to ensure uninterrupted education in public schools;
- Promoted digital literacy through installation of two smart boards at two government schools; and
- Financial support to a deserving underprivileged student to ensure education continuity.

During the year under review, your Company allocated 2% of its average net profits of the preceding three financial years (computed as per the relevant provisions of the Act) on CSR projects. The details thereof are mentioned in the CSR Annual Report, attached as **"Annexure II"** to this report. Refer page 147 of this Report.

Further, during the year under review, impact assessment was not applicable to the Company. However, an impact assessment of the Sakhiyon ki Baadi programme was conducted by IIFL Foundation through an independent agency using the OECD-DAC Methodology.

## 9. SHARE CAPITAL

During the year under review, the total paid up equity share capital of the Company increased from ₹76,30,96,870 to ₹ 84,90,33,140 pursuant to allotment of 5,73,865 equity shares of ₹ 2 each under Employee Stock Option Scheme(s) of the Company to eligible employees and allotment of 4,23,94,270 equity shares of ₹ 2 each pursuant to Rights Issue and the said equity shares rank pari passu with the existing equity shares.

# REPORT OF THE BOARD OF DIRECTORS

**The movement of share capital is as under:**

| Particulars | No. of equity shares allotted | Cumulative outstanding share capital |
|---|---|---|
| Share Capital at the beginning of the year | - | 76,30,96,870 |
| Allotment of shares to employees on April 30, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 60,383 | 76,32,17,636 |
| Allotment of shares on May 17, 2024 pursuant to Rights Issue to the eligible shareholders | 4,23,94,270 | 84,80,06,176 |
| Allotment of shares to employees on June 20, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 1,87,883 | 84,83,81,942 |
| Allotment of shares to employees on August 14, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 51,246 | 84,84,84,434 |
| Allotment of shares to employees on October 11, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 2,13,103 | 84,89,10,640 |
| Allotment of shares to employees on December 10, 2024 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 24,096 | 84,89,58,832 |
| Allotment of shares to employees on February 4, 2025 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme | 37,154 | 84,90,33,140 |

Further, post closure of the financial year, 3,43,214 equity shares were allotted to employees on April 4, 2025 pursuant to exercise of options granted under IIFL Finance Employee Stock Option Plan 2008 and IIFL Finance Employee Stock Option Plan 2020 - Merger Scheme. Pursuant to the aforesaid allotments, the paid-up equity share capital of the Company stands increased to ₹ 84,97,19,568.

## 10. SECURITIZATION/ASSIGNMENT OF LOAN PORTFOLIO

During the year under review, your Company has undertaken securitization transactions of total book value of loan assets amounting to ₹ 378 Crore and Direct Assignment transactions of total book value of loan assets amounting to ₹ 3,147 Crore.

## 11. FINANCIAL LIQUIDITY

From a liquidity standpoint, the Company continues to maintain a strong and resilient position. The Company's principal sources of liquidity include cash and cash equivalents, along with cash flows generated from our lending and investment activities. During the year under review, the Company took proactive steps to ensure that its liquidity position remained robust and aligned with the operational and regulatory expectations applicable to NBFCs.

The Company successfully raised capital through Rights Issue from existing shareholders and through the issuance of Non-Convertible Debentures (NCDs), thereby further strengthening its liquidity profile. These funds enhanced the Company's financial flexibility, enabling it to respond swiftly to evolving business needs and pursue strategic opportunities as they arise.

The Consolidated cash and cash equivalent of your Company as on March 31, 2025, stood at ₹2,066.63 Crore as against ₹2,469.87 Crore in the previous year. The Company continues to maintain a prudent balance between liquidity and return on assets, recognizing the

importance of ensuring sufficient liquidity to meet all foreseeable financial and business obligations, while also seeking optimal deployment of funds for revenue generation.

## 12. INTERNAL CONTROL SYSTEMS

**Internal audit and its adequacy:**

The scope and authority of the internal audit function is well defined, and to maintain independence and objectivity in its functions, the internal audit function reports directly to the Audit Committee of the Board. At the beginning of each financial year, an annual Risk-Based Internal Audit ("RBIA") plan is rolled out post approval by the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. The internal audit function, consisting of professionally qualified accountants, engineers, fraud risk and information technology specialists, is adequately skilled and resourced to deliver audit assurances at highest levels. Based on the reports of the internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

**Internal Controls over Financial Reporting:**

Your Board is of the opinion that internal financial controls with reference to the financial statements were tested and reported adequately and operating effectively. The internal financial controls are commensurate with the size, scale and complexity of operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. Your Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors.

## 13. EMPLOYEES STOCK OPTION SCHEMES

Your Company has in force the following Schemes:

a. IIFL Finance Employee Stock Option Plan 2008 ("ESOP Scheme 2008")

b. IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme ("ESOP Scheme 2020")

During the year under review, your Company granted no stock options to the employees under the ESOP Scheme 2008. Further, 4,01,435 stock options got lapsed and the same were added back to the pool, which can be used for further grant, and 16,510 stock options granted under ESOP Scheme 2020 got lapsed and the same are not available for further grant.

The aggregate number of stock options outstanding as on March 31, 2025, stands at 35,58,866 stock options under ESOP Scheme 2008 and 12,01,536 stock options under ESOP Scheme 2020.

A certificate from the Secretarial Auditor of your Company confirming that the ESOP Scheme 2008 and ESOP Scheme 2020 has been implemented in accordance with the applicable Regulations. The same will be available for inspection by Members through electronic means. Members can request the same by sending an email to shareholders@iifl.com till the Annual General Meeting ("AGM").

The relevant disclosures pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are uploaded on the website of the Company i.e. www.iifl.com and the same would be available for inspection by Members through electronic means.

The relevant disclosures in terms of Ind AS 102, relating to share based payment, forms part of note no. 40 of the Standalone Financial Statements and note no. 40 of the Consolidated Financial Statements of the Company.

## 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, being a NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to loans, guarantees and investments. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

During the year under review, the Company strategically invested its surplus funds in various securities, as part of its normal business operations. These investments were made to optimize returns while ensuring liquidity and managing risks in accordance with the Company's investment policy.

For detailed information on the Company's investments, please refer to note no. 9 of the financial statements.

# REPORT OF THE BOARD OF DIRECTORS

## 15. SUBSIDIARY COMPANIES

As on March 31, 2025, the Company has two (2) subsidiaries, one (1) wholly-owned subsidiary and one (1) step down subsidiary as below.

- IIFL Home Finance Limited ("HFC"), Subsidiary Company
- IIFL Samasta Finance Limited ("Samasta"), Subsidiary Company
- IIFL Open Fintech Private Limited, Wholly-owned Subsidiary Company
- IIHFL Sales Limited, Step-down Subsidiary Company

The Company does not have any Associate(s)/Joint Venture(s).

Pursuant to Regulation 16 of the Listing Regulations, HFC and Samasta are the Material Subsidiaries of the Company for FY 2024-25 and shall continue to be the Material Subsidiaries of the Company during FY 2025-26 for compliance with Listing Regulations. In accordance with the terms of Regulation 24(1) of the Listing Regulations, Mr. Ramakrishnan Subramanian, an Independent Director on the Board of the Company, also serves as an Independent Director on the Board of HFC w.e.f. April 1, 2024. Mr. Nihar Niranjan Jambusaria, an Independent Director on the Board of the Company, also serves as an Independent Director on the Board of Samasta w.e.f. April 24, 2024.

The Policy on Determining Material Subsidiary is available on the Company's website at https://storage.googleapis.com/iifl-finance-storage/files/2025-03/Policy_on_determining_Material_Subsidiaries_04032025.pdf.

During the year, the Board reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Act, the Company prepared the consolidated financial statements of the Company and all its subsidiaries, which forms part of the Annual Report. Further, a statement containing the salient features of the financial statements of the Company's subsidiaries, in the prescribed Form AOC-1, is annexed to the Consolidated Financial Statements. The statement also provides the details of performance and financial positions of each of the subsidiaries.

The Audited Financial Statements of the subsidiaries of the Company for the financial year ended March 31, 2025, are available on the website of the Company at www.iifl.com. The Members may download the aforesaid documents from the Company's website and can also request the same by sending an email to shareholders@iifl.com till the AGM. Further, the aforesaid documents shall also be available for inspection by the Members at the registered office/ corporate office of the Company, during business hours on working days and through electronic mode.

## 16. CAPITAL ADEQUACY

Your Company remains committed to maintaining a strong capital adequacy position in line with regulatory requirements and best practices within the financial services industry. As on March 31 2025, the Capital to Risk Assets Ratio ("CRAR") of the Company was 18.48% which is well above the minimum requirement of 15% CRAR prescribed by the RBI.

Out of the above, Tier I capital adequacy ratio stood at 13.78% and Tier II capital adequacy ratio stood at 4.70%, respectively.

## 17. ANTI- BRIBERY AND ANTI-CORRUPTION POLICY

Your Company has an Anti-Bribery and Anti-Corruption Policy ("Policy") on combating bribery and corruption and to conduct Company's business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery, corruption and other forms of unlawful payment (including gifts, hospitality, etc.) and are committed to act professionally, fairly and with integrity in all it's dealings wherever it operates. The Company is also committed towards implementing and enforcing effective systems to counter bribery and corruption. The Policy prohibits offering, promising, giving or authorizing others to give anything in excess of a certain value, either directly or indirectly, to any person or entity, thereby setting out Company's standards on bribery and other forms of unlawful payments.

The policy provides information and guiding principles to prevent any activity or conduct relating to bribery, facilitation payments or corruption and to guide employees to act professionally, fairly and with utmost integrity in all their business dealings and relationships, wherever they operate.

The Policy requires that the Company do not engage in bribery or corruption in any form and explicitly mentions that the Company will not pay or procure payment of a bribe or unlawful fee to encourage the performance of a task or one which is intended or likely to compromise the integrity of another. The Company will not accept any payment, gift or inducement from a third party which is intended to compromise Company's integrity.

The Company has appointed Ms. Preeti Kanan, Chief Human Resources Officer (CHRO), as the Chief Anti-Corruption Officer. Any individual may report instances of bribery or corruption by writing to anticorruption@iifl.com. The Anti-Bribery and Anti-Corruption Policy is also available on the Company's website at https://www.iifl.com/finance/anti-corruption-policy.

## 18. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report ("BRSR") forms a separate and integral part of the Annual Report and has been prepared in accordance with the regulatory requirements prescribed by SEBI, including the Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and the earlier circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023. As mandated, BRSR disclosures are applicable to the top 1,000 listed entities by market capitalization, and the Company has ensured full alignment with the updated BRSR framework. The BRSR outlines the Company's key initiatives and performance across Environmental, Social, and Governance (ESG) parameters. Further, the requirement for reasonable assurance of BRSR Core and ESG disclosures pertaining to the value chain is not applicable to the Company for the financial year 2024–25, in line with the phased applicability prescribed under the aforementioned circulars.

## 19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as specified under Regulation 34 read with Schedule V of the Listing Regulations and RBI SBR Direction, is presented in a separate section, forming part of this Annual Report.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Board and Committees

The Board is central to the Company's corporate governance practices, overseeing the Company's operations to ensure that Management acts in the best interests of all stakeholders. The Company believes that a well-informed, independent, and engaged Board is essential to maintaining the highest standards of governance. The Board provides strategic guidance, monitors performance, and ensures adherence to ethical business practices, while managing risks effectively. It continually evaluates and adapts governance practices to remain aligned with the evolving business environment, markets in which we operate, and the Company's core values, ensuring that governance principles support long-term strategic objectives.

The Board is supported by its various Committees, each of which ensures that specific matters receive the appropriate attention and consideration. These Committees focus on key areas, make informed decisions within the framework set by the Board, and provide recommendations on issues within their respective purviews. Each Committee operates under clearly defined terms of reference, which outline the authority delegated by the Board.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise (including proficiency, as applicable) and hold highest standards of integrity.

**Appointment and Cessation of Directors and Key Managerial Personnel**

During the year under review, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company took on record the appointments, re-appointments, cessations, and retirements of various Directors and Key Managerial Personnel ("KMP"), respectively, in accordance with the applicable provisions of the Act and the Listing Regulations.

**I. Appointments / Re-appointments**

**A. Directors**

- **Mr. Gopalakrishnan Soundarajan** (DIN: 05242795), was appointed as an Additional Non-Executive Director of the Company, liable to retire by rotation, with effect from May 11, 2024. His appointment was subsequently regularised by the Shareholders by way of a Special Resolution passed through Postal Ballot on June 10, 2024.
- **Ms. Nirma Anil Bhandari** (DIN: 02212973), was appointed as an Additional Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five (5) consecutive years commencing from September 16, 2024. Her appointment was subsequently regularised by the Shareholders by way of a Special Resolution passed through Postal Ballot on December 10, 2024.

# REPORT OF THE BOARD OF DIRECTORS

- **Mr. R Venkataraman** (DIN: 00011919), Joint Managing Director of the Company, whose term was due to expire on April 22, 2025, and was re-appointed by the Board at its meeting held on February 12, 2025, for a further term of five (5) consecutive years with effect from April 23, 2025, subject to approval of the Shareholders. A notice under Section 160 of the Act has been received from a Member signifying intention to propose his re-appointment at the ensuing Annual General Meeting.

**B. Key Managerial Personnel**

- **Mr. Samrat Sanyal** was appointed as the Company Secretary of the Company, with effect from August 23, 2024. He was also designated as the Compliance Officer pursuant to Regulation 6(1) of the Listing Regulations and as a Key Managerial Personnel in terms of Section 203 of the Act.

**II. Cessations**

**A. Directors**

- **Mr. Chandran Ratnaswami** (DIN: 00109215), resigned as a Non-Executive Director of the Company with effect from May 10, 2024, close of business hours, upon attaining the age of 75 years on May 11, 2024.
- **Mr. Vijay Kumar Chopra** (DIN: 02103940), completed his term as a Non-Executive Independent Director and ceased to be a Director of the Company with effect from May 20, 2024, close of business hours.
- **Ms. Geeta Mathur** (DIN: 02139552), completed her second term as a Non-Executive Independent Director and consequently ceased to hold office with effect from September 17, 2024.

**B. Key Managerial Personnel**

- **Ms. Mauli Agarwal** resigned from the position of Company Secretary and Compliance Officer with effect from August 23, 2024.

The Board placed on record its sincere appreciation for the valuable contributions made by the outgoing Directors and Key Managerial Personnel during their tenure and extended its best wishes for their future endeavours.

**III. Retirement by Rotation**

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company:

- **Mr. Arun Kumar Purwar** (DIN: 00026383), Chairperson and Non-Executive Non-Independent Director, is retiring by rotation at the ensuing AGM and does not wish to seek re-appointment. Accordingly, he shall cease to hold office at the conclusion of the AGM.
- **Mr. T S Ramakrishnan** (DIN: 09515616), Non-Executive Nominee Director, is liable to retire by rotation and being eligible, has offered himself for re-appointment. The Board, at its meeting held on May 8, 2025, approved and recommended his re-appointment for the approval of the Shareholders at the ensuing AGM.

## 21. MEETING OF DIRECTORS & COMMITTEES AND BOARD EFFECTIVENESS

### Board of Directors:

During the year under review, the Board of Directors met eleven (11) times to discuss and approve various matters including financials, appointment of auditor, review of audit reports and other Board matters. For further details, please refer to the report on Corporate Governance forming part of this Report.

### Committees of the Board:

In accordance with the applicable provisions of the Act, Listing Regulations and RBI SBR Direction, the Company has the following Committees:

**Statutory Board Committees:**

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Asset Liability Management Committee
- IT Strategy Committee
- Review Committee (Wilful Defaulters)
- Special Committee of the Board for Monitoring and Follow-up of cases of Fraud
- Customer Service Committee

The Chairperson of respective Committees report to the Chairperson of the Board who is a Non-Executive Director. The Chairperson of respective committees

apprises the Board about the key highlights and decisions taken by the Committees.

The Board of Directors have set up various Committees, delegated powers, and assigned roles and responsibilities with well-documented terms of reference for each Committee.

The details inter alia including the composition, and terms of reference of the aforesaid Committees are provided on the website of the Company at www.iifl.com.

Besides the aforesaid Committees, the Board of the Company have constituted Committees comprising of Senior Management Personnel for day-to-day operations of the Company viz. Finance Committee, Group Credit Committee, Environmental, Social and Governance Committee, etc.

## Board Effectiveness

### Familiarization Program for the Independent Directors

Details of the Familiarization Program are provided in the Corporate Governance Report forming part of this Report and are also available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-06/Familiarization_Programme_of_ID_2025.pdf

### Evaluation of Board, its Committees and Directors

The evaluation process, manner and performance criteria as carried out for Board, its Committees and Directors is explained in the Corporate Governance Report forming part of this Report.

### Declaration by Independent Directors

Your Company has received necessary declarations from each Independent Director of the Company, pursuant to the provisions of section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, stating that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The above-mentioned declarations were placed before the Board and in the opinion of the Board, all the Independent Directors fulfil the conditions specified under the Act and the Listing Regulations and are Independent to the Management and that there has been no change in the circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact the ability to discharge their duties with an objective of independent judgment and without any external influence.

All the Independent Directors of the Company have registered themselves on the Independent Directors' Databank mandated by the Indian Institute of Corporate Affairs as per the requirements of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

### Fit and Proper Criteria & Code of Conduct

Your Company has received undertaking and declaration from each Director on fit and proper criteria in terms of the provisions of RBI SBR Direction. The Board have confirmed that all existing Directors are fit and proper to continue to hold the appointment as Directors on the Board, as reviewed and recommended by the Nomination and Remuneration Committee on fit and proper criteria under RBI SBR Direction.

All the Directors of the Company have affirmed compliance with the Code of Conduct of the Company. The Declaration of the same is provided in the Corporate Governance Report which forms part of this Report.

### Board Diversity and Inclusion

Your Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage difference in thought, perspective, knowledge, skills, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race, gender that will help us retain our competitive advantage. The Policy adopted by the Board sets out its approach to diversity. The Policy is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Board_Diversity_Policy_27072022.pdf

### Remuneration Policy and criteria for selection of candidates for appointment of Directors

Your Company has in place policy for remuneration of Directors and Key Managerial Personnel along with a well-defined criteria for the selection of candidates for appointment on the said positions, duly approved by the Board of Directors.

The Nomination and Remuneration Policy is also available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-04/Nomination_and_Remuneration_Policy_26042024.pdf.

### Succession Planning

Your Company has in place a succession planning framework for Directors and Key Managerial Personnel to address anticipated, as well as unscheduled changes

# REPORT OF THE BOARD OF DIRECTORS

in leadership for continuity and smooth functioning of the Company.

## 22. RISK MANAGEMENT

Your Company has a well-defined comprehensive Enterprise Risk Management ("ERM") Framework in place and a robust organizational structure to identify, assess, measure and monitor risks and strengthen controls to mitigate risks. The Company has established procedures to periodically place before the Risk Management Committee and the Board, the risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. ERM has been adopted by the Company which uses defined Key Risk Indicators based on quantitative and qualitative factors. A two-dimensional quantitative heat map has been implemented, which enables the Management to have a comprehensive view of various identified risk areas based on their probability and impact. The Company have initiated adequate Risk training and awareness program to ensure preparedness.

The composition, terms of reference and powers of the Risk Management Committee are in conformity with the requirements of Regulation 21 of the Listing Regulations and RBI SBR Direction and the same has been provided in the Corporate Governance Report. The Risk Management Committee is authorized to monitor and review overall risk management plan including liquidity risk and is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy. The ERM Policy is approved by the Board of Directors and inter alia, includes identification of risks, including strategic, financial, credit, market, liquidity, security, compliance, fraud, reputation, technology, cyber, outsourcing, people/conduct, collection, ESG, business which in the opinion of the Board may threaten the existence of the Company.

## 23. RELATED PARTY TRANSACTIONS

Your Company has in place a Policy on Related Party Transactions ("RPTs") ("RPT Policy"), as amended from time to time. The Policy provides for identification of RPT, necessary approvals from the Audit Committee/ Board/ Members, reporting and disclosure requirements in compliance with the provisions of the Act and Listing Regulations. The said Policy can be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-04/Policy_on_Related_Party_Transactions_23042025.pdf.

All contracts or arrangements executed by the Company during the year under review with related parties were on arm's length basis and in the ordinary course of business. Hence, the disclosure of RPTs as required under Section 134(3)(h) of the Act, 2013 in Form AOC-2 is not applicable to the Company.

All such RPTs were placed before the Audit Committee/ Board/Members for their approval, wherever applicable. A certificate from an Independent Chartered Accountant is placed before the Audit Committee on a quarterly basis, certifying that all related party transactions entered into by the Company during the quarter were conducted at arm's length and in the ordinary course of business.

You may refer to note no. 44 of the Standalone Financial Statements and note no. 44 of the Consolidated Financial Statements respectively, which contain related party disclosures.

Your Company has obtained the Member's approval on Material RPTs in the last AGM held on September 30, 2024 for financial year 2024-25.

Considering that the Company is a NBFC-ML and given the nature of its business and operations, it will continue to enter into various related party transactions (RPTs) in the ordinary course of business. Accordingly, the Company has sought approval from the Members for material RPTs, the details of which are available in the Notice convening the AGM of the Company.

## 24. ANNUAL RETURN

In terms of provisions of Section 92(3), 134(3)(a) of the Act and the Rule 12 of Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 for the financial year ended March 31, 2025 is placed on the website of the Company and can be accessed at www.iifl.com.

## 25. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Report, except as mentioned in point no. 6 of this Report.

## 26. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on energy conservation, technology

absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in "**Annexure III**" to this Report. Refer page 151 of this Report.

## 27. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, the Company has adopted a Whistle Blower Policy/Vigil Mechanism and has established the necessary vigil mechanism for Directors and Employees of the Company to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company has disclosed the policy on the website of the Company at https://www.iifl.com/finance/whistle-blowervigilance-policy

## 28. CREDIT RATING

Your Company's financial discipline and prudence is reflected in the strong credit ratings prescribed by credit rating agencies. The following credit ratings were assigned to the Company as on March 31, 2025.

| Credit Rating Agency | Product | Rating as on March 31, 2025 |
|---|---|---|
| ICRA Limited | Non-Convertible Debentures | [ICRA] AA (Stable) |
| | Commercial Paper | [ICRA] A1+ |
| | Subordinate Debt | [ICRA] AA (Stable) |
| | Long Term Bank Lines | [ICRA] AA (Stable) |
| | Long Term Principle Protected Equity Linked Debenture | PP-MLD[ICRA]AA (Stable) |
| | Long Term Principle Protected Market Linked Debenture | PP-MLD[ICRA]AA (Stable) |
| | Commercial Paper (IPO financing) | [ICRA] A1+ |
| CRISIL Limited | Non-Convertible Debentures | Crisil AA/Stable |
| | Subordinate Debt | Crisil AA/Stable |
| | Long Term Principal Protected Market Linked Debentures | Crisil PP-MLD AAr/Stable |
| | Commercial Paper (IPO financing) | CRISIL A1+ |
| | Commercial Paper | CRISIL A1+ |
| | Total Bank Loan Facilities Rated (Long Term Rating) | Crisil AA/Stable |
| Brickwork Ratings | Non-Convertible Debentures (Public Issue) | BWR AA+ 'Stable' |
| | Non-Convertible Debentures | BWR AA+ 'Stable' |
| | Secured Non-Convertible Debentures | BWR AA+ 'Stable' |
| Fitch | Long-Term Issuer Default Rating (IDR) | B+ / Stable |
| | Senior secured notes issued under USD 1 billion Global Medium-Term Note (MTN) Program | B+ / Stable |
| India Rating | Non-convertible debentures (NCDs) | IND AA/Stable |
| | Perpetual Debt (tier 1 instrument) | IND AA-/Stable |
| S&P Global Ratings | Long-Term Issuer Default Rating (IDR) | B+ / Stable |
| | Short-Term Issuer Default Rating (IDR) | B |
| | Senior secured notes issued under USD 1 billion Global Medium-Term Note (MTN) Program | B+ / Stable |

# REPORT OF THE BOARD OF DIRECTORS

## 29. PREVENTION OF SEXUAL HARASSMENT

Your Company recognizes its responsibility and continues to provide a safe working environment for women, free from sexual harassment and discrimination. In Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has put in place a Policy on prevention of Sexual Harassment of Women at workplace and has duly constituted an Internal Complaints Committee under the same.

Your Company also provides for mandatory online training on prevention of sexual harassment for every new joinee, as well as for all the employees on an annual basis.

The details of complaints received during the year 2024-25 pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the Corporate Governance Report.

## 30. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in "**Annexure IV**" to this report. Refer page 153 of this Report.

Further, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits as set out in the Rule 5(2) and other details as mentioned in Rule 5(3) of the aforesaid Rules, forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid information.

The said information is available for inspection by the Members and any Member interested in obtaining a copy thereof, may write to the Company at shareholders@iifl.com.

The Managing Director and Joint Managing Director of the Company as per the terms of their appointments, does not draw any commission or remuneration from any Subsidiary Company. Hence, no disclosure as required under Section 197(14) of the Act has been made.

## 31. STATUTORY AUDITORS

Pursuant to the RBI Circular No. RBI/2021-22/25 Ref. No. DoS. CO. ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ("RBI Guidelines"), the statutory audit of the entities with asset size of ₹15,000 Crore and above, as at the end of previous year, should be conducted under joint audit of a minimum of two audit firms. Accordingly, the current Joint Statutory Auditors M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai (Firm Registration Number 109983W) and M/s. G. M. Kapadia, Chartered Accountants, Mumbai (Firm Registration Number 104767W) who were appointed at the 28th Annual General Meeting ("AGM") held on July 31, 2023 and 29th AGM held on September 30, 2024, respectively, to hold office for a term of three consecutive years till the conclusion of 31st AGM and 32nd AGM, respectively.

M/s. Sharp & Tannan Associates and M/s. G.M. Kapadia & Co. have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations. The Joint Statutory Auditors have confirmed that they continue to satisfy the eligibility norms and independence criteria as prescribed by RBI guidelines and the Act.

The Audit for FY 2024-25 was conducted by M/s. Sharp & Tannan Associates and M/s. G.M. Kapadia & Co, Joint Statutory Auditors of the Company and that there are no qualifications, reservations, adverse remarks or disclaimers made by the Joint Statutory Auditors in their Audit Report. The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Act. The Joint Statutory Auditors' Report is enclosed with the financial statements in this Report.

## 32. SECRETARIAL AUDIT

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Nilesh Shah & Associates, Practicing Company Secretaries, Mumbai (Peer Review No. 6454/2025) as the Secretarial Auditor of the Company to conduct Secretarial Audit for FY 2024-25.

As required under the said provisions of the Act, the report in respect of the Secretarial Audit carried out by the Secretarial Auditor in Form MR-3 for the FY 2024-25 is annexed hereto marked as "**Annexure V**" and forms part of this Report. The said Secretarial Audit Report contains qualifications on fines/penalties as below.

# REPORT OF THE BOARD OF DIRECTORS

| Sl. No. | Observations/Remarks | Management Response |
|---|---|---|
| 1. | The Company has not submitted its annual audited financial results along with the audit report for financial year ended March 31, 2024 within sixty days from the end of the financial year pursuant to Regulation 33 (3) (d), Regulation 52 (1) and Regulation 52 (2) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, BSE Limited and National Stock Exchange of India vide their email dated June 28, 2024 has imposed fine of ₹ 94,400/- each. The Company has paid the fine. | Due to certain internal contingencies, the Company experienced substantial disruptions to its operational workflows and financial processes. These unforeseen circumstances necessitated an in-depth internal assessment and process adjustments within the affected business segment to restore operational integrity and maintain financial reporting standards. As a result, there was an unavoidable delay in the completion of audit procedures.<br><br>We wish to emphasize that the delay was beyond the control of the management and was directly attributable to compliance with regulatory directives. The Company has taken all reasonable steps to cooperate with the auditors and to work toward timely resolution of the issues. Further, there was no material impact on the financial, operations, or other activities of the Company. |
| 2. | The Company has paid remuneration to Mr. Nirmal Jain – Managing Director of the Company in excess of maximum remuneration as provided under Section 197 read together with Schedule V of the Companies Act, 2013 and Regulation 17 (6) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have been informed that due to RBI cease and desist order on Gold Loan business from March 04, 2024 to September 19, 2024, the business volume and the resultant net profit for the current fiscal was heavily impacted resulting in payment of excess remuneration. The Company proposes to obtain approval of members at the ensuing Annual General Meeting for waiver of excess remuneration. | This situation arose primarily due to an unforeseen regulatory development during the year. As informed earlier, the Reserve Bank of India had imposed a temporary restriction on the Company's Gold Loan business, which remained in effect until September 19, 2024. This restriction significantly impacted the Company's operations, resulting in a decline in business volume and profitability. Consequently, the remuneration, exceeded the permissible limits under applicable laws owing to the shortfall in net profits. |

Pursuant to Regulation 24A of the Listing Regulations, a listed company is required to annex the Secretarial Audit Report of its material unlisted subsidiary to its Directors Report. The Secretarial Audit Reports of the material subsidiaries of the Company i.e. HFC and Samasta for FY 2024-25 are annexed herewith as "**Annexure VI**" & "**Annexure VII**" respectively. Refer pages 159 & 163, respectively, of this Report.

Further, in line with the recent amendments to Regulation 24A of the Listing Regulations, mandating the appointment of a Secretarial Auditor for a continuous term of five years, the Board at its meeting held on May 8, 2025, has appointed M/s. Nilesh Shah & Associates, Practising Company Secretary, Mumbai, as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years commencing from FY 2025-26 to FY 2029-30.

## 33. REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Joint Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act. Therefore, there is no detail which needs to be mentioned in this report.

## 34. RBI DIRECTIONS

As per Master Direction - RBI (NBFC-SBR) Directions, 2023, the Company has been classified as NBFCs-Middle Layer (ML). The Company continues to comply with all the applicable directions, circulars, notifications and guidelines etc. issued by the RBI applicable to NBFCs –ML from time to time.

# REPORT OF THE BOARD OF DIRECTORS

## 35. CORPORATE GOVERNANCE

Your Company is committed to creating long-term value for all stakeholders while upholding the highest standards of integrity, social responsibility, environmental stewardship, and regulatory compliance. The Company's actions are driven by core values and guiding principles that are deeply embedded across every level of the organization. These principles have consistently shaped the Company's journey and will continue to guide the Company into the future.

The report on Corporate Governance for FY 2024-25, as stipulated under the Listing Regulations and the RBI SBR Direction, forms an integral part of this report.

## 36. OBSERVANCE OF THE SECRETARIAL STANDARDS

The Board affirms that a proper system have been devised to ensure compliance with the applicable laws. Pursuant to the provisions of Section 118 of the Act, during the FY 2024-25, the Company has adhered with the applicable provisions of the Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

## 37. DEPOSITS

During the year under review, the Company did not accept/renew any deposits within the meaning of Section 73 of the Act and the Rules made thereunder and RBI SBR Direction.

## 38. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The Reserve Bank of India (RBI), through a press release and order dated March 4, 2024, directed the Company to immediately cease and desist from sanctioning or disbursing gold loans, as well as from assigning, securitising, or selling any of its gold loans. However, the Company was permitted to continue servicing its existing gold loan portfolio through regular collection and recovery processes.These supervisory restrictions were imposed pending the completion of a special audit initiated by the RBI. Following the completion of the audit and RBI's inspection, the ban was lifted.

The Special Audit commenced on April 23, 2024, and subsequently concluded, the RBI, after examining the submissions made and the remedial actions undertaken by the Company, vide its communication dated September 19, 2024, lifted the restrictions imposed on the gold loan business. The aforesaid directions were specific to the gold loan portfolio and did not affect the Company's other business activities. The Company continued to operate in its other areas of business and maintains a valid NBFC license. Accordingly, there was no impact on the going concern status of the Company.

Except for the above, no other significant or material orders have been passed by any Regulator, Court, or Tribunal that could impact the going concern status or the Company's future operations.

## 39. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(5) of the Act, the Directors subscribe to the "Directors Responsibility Statement" and to the best of their knowledge and ability, hereby confirm that:

i. in the preparation of the annual accounts, the applicable Indian Accounting Standards had been followed and there were no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that year;

iii. they have taken proper and sufficient care 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;

iv. the annual accounts have been prepared on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 41. GENERAL

Your Directors state that during FY 2024-25:

(i) the Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

(ii) the Company has not issued any sweat equity shares during the year;

(iii) the Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of

Section 148 of the Act and the Rules framed there under;

(iv) there is no change in nature of business of the Company during the year;

(v) the Company has not defaulted in repayment of loans from banks and financial institutions;

(vi) there were no delays or defaults in payment of interest/principal of any of its debt securities;

(vii) the Company had not made any application under the Insolvency and Bankruptcy Code, 2016 (the "Code"). As at March 31, 2025, no applications have been filed or are pending under the Code. No proceeding is pending against the Company under the Code;

(viii) there was no instance of one-time settlement with any bank or financial institution;

(ix) the details of Debenture Trustees of the Company are as follows:

| Particulars | Catalyst Trusteeship Limited | Vardhman Trusteeship Private Limited |
|---|---|---|
| Address | GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (right), Kothrud, Pune– 411038 | The Capital, 412A, Bandra Kurla Complex, Bandra East, Mumbai 400051 |
| Contact Details | +91 22 49220555 | +91 22 40140832 |
| Email | complianceCTL-Mumbai@ctltrustee.com | Corporate@vardhmantrustee.com |
| Website | www.catalysttrustee.com | www.vardhmantrustee.com |

## 42. AWARDS AND RECOGNITIONS

During the year under review, the Company, one of its affiliated entities engaged in social impact initiatives, and a member of the Board of Directors of the affiliated entity were conferred with various awards and accolades in recognition of their contributions across financial services, social responsibility, and leadership.

**I. Company**

i. Most Trusted NBFC for 2023 award at NBFC & Fintech Leadership Awards 2024;

ii. Corporate Governance Excellence Award – NBFC at the NBFC & Fintech Leadership Awards 2024;

iii. Best Customer Experience Initiative – NBFC award at the NBFC & Fintech Leadership Awards 2024;

iv. Listed among 'India's Top 25 Best Workplaces in BFSI' for the year 2025 by Great Place To Work® India;

v. IIFL Finance was Great Place to Work® Certified™ in India for the period (February 2025 - February 2026);

vi. Best Brand Building Campaign - NBFC for its 'Customer Testimonial' Campaign at the Bharat NBFC & Fintech Summit and Awards 2024;

vii. Best Technology based NBFC' award at Bharat NBFC & Fintech Summit and Awards 2024;

viii. 'Best NBFC in Customer Experience of the Year' award at Bharat NBFC & Fintech Summit and Awards 2024;

ix. Best Data Driven NBFC of the Year award at the NBFC & Fintech Leadership Awards 2024;

x. Best Cyber Security Initiative – NBFC award at the NBFC & Fintech Leadership Awards 2024;

xi. Great Indian Corporate Treasury - Leadership in Risk Management award at the Great Indian Treasury Leaders' Summit and Awards; and

xii. Great Indian Audit Team of the Year at the Great Indian Audit Leader Summit and Awards 2024

**II. IIFL Foundation Limited and Mrs. Madhu Jain**

i. The Government of Rajasthan felicitated the IIFL Foundation Limited and Mrs. Madhu Jain with the 'Bhamashah Samman' in recognition of their outstanding contribution to education, particularly in advancing girl child literacy.

ii. IIFL Foundation received the 'Best Skill Development Program' award for its Retail and Hospitality Training Program in Kashmir at the CSR Summit and Awards.

# REPORT OF THE BOARD OF DIRECTORS

iii. IIFL Foundation received the 'Best Social Welfare Program' award for its Dharamshala for Patients at Maharana Bhupal Hospital at the CSR Summit and Awards.

iv. Mrs. Madhu Jain, Director – IIFL Foundation, received the CSR Leadership Award at the CSR Summit and Awards.

## 43. APPRECIATION

At IIFL Finance Limited, every business is adeptly managed by a distinguished team of leaders with extensive and diverse experience in the financial sector, dedicated to our mission of establishing the Company as a leading financial services provider. This professionally equipped and technically sound management has set progressive policies and objectives, adhering to global best practices, with a clear vision to elevate the Company to new heights.

Having consistently received external reassurance in our commitments over the years, your Directors place on record their sincere appreciation for the assistance and guidance provided by the Reserve Bank of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Government and other regulatory authorities, Stock Exchanges, Depositories, Registrar and Share Transfer Agent, and other statutory bodies. Their continued support, cooperation, and encouragement have been instrumental in the Company's journey.

We also express our heartfelt gratitude to our employees for their unwavering dedication and valuable contributions, which have been pivotal in navigating challenges and achieving strategic goals.

Your Directors gratefully acknowledge the valuable support extended by all stakeholders of the Company, including customers, members, investors, dealers, vendors, bankers, and other business partners, during the year. Our employees continue to play a key role in helping the Company scale new heights year after year, and their commitment is deeply appreciated. The involvement of Members is also greatly valued, and your Directors look forward to your continued support.

**For and on behalf of the Board**

**Arun Kumar Purwar**
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: May 8, 2025
Place: Mumbai

# ANNEXURE I TO DIRECTORS' REPORT

## DIVIDEND DISTRIBUTION POLICY

### PURPOSE & SCOPE

IIFL Finance Limited ("the Company") has in place a Board approved dividend policy covering the Company and the Subsidiaries as adopted on March 01, 2011. SEBI has mandated that the top 1000 Companies (in terms of market capitalization) need to have a Dividend Distribution Policy in place.

Accordingly, this policy is to put into place the norms for the determination and declaration of dividend on equity capital by IIFL Finance Limited and its subsidiaries. While considering distribution and payment of dividend, the Company will ensure compliance with all the applicable provisions of the law including provisions of the Companies Act, SEBI, RBI, NHB and Income Tax Rules and Regulations etc related thereto.

### A. Factors/ parameters that would be considered while declaring Dividend

I. The financial parameters that shall be considered while declaring dividend

While considering the total dividend at Holding Company and at each of the Subsidiaries the following will be taken into account:

a. The business plan and actual performance, the capital requirements, free cash flow, debt equity ratio (considering new capital, ESOPs, retained earnings, minimum net worth requirements as per respective regulatory requirements etc.)

b. Adequacy of profits including the accumulated balance in Profit & Loss account and

c. Taxes on dividend.

The Board may consider a higher distribution with adequate justification or on special occasions.

II. The circumstances under which the shareholders:

i. May expect dividend:

a. Surplus in Profit & loss (P&L) Statement

b. Profits in any Financial Year are more than 10% of the equity capital of the Company

ii. May not expect dividend:

a. If there are losses as per P&L Statement (including accumulated balance in P&L account)

b. Profit in the any Financial Year is less than 10% of the equity capital.

c. If the total income from business/ PAT from its ordinary activities in any Financial Year declines by more than 75% from the previous year

d. If the business is seriously affected and visibility is uncertain.

III. Internal and external factors that shall be considered for declaration of dividend:

i. Internal Factors:

a. Projected investment in business/new business

b. Projected investments in Subsidiaries/ Associates in the year and next year.

c. Networth/Capital adequacy as required under respective Regulatory requirements.

ii. External Factors:

a. State of Economy/Industry/business

b. Statutory Taxes/levies – Changes in income tax rates, DDT etc.

IV. The retained earnings shall be utilized for:

i. Proposed Capital expenditure

ii. Investments/acquisitions

iii. General corporate purposes including contingencies

iv. Capital restructuring

V. Parameters that shall be adopted with regard to various classes of shares: The Company has only one class of equity shareholders at present.

**Periodicity of distribution**

On a yearly basis, the Holding and Subsidiary Companies may distribute by way of Interim Dividend/s a substantial portion of the total dividend of the Company. The balance portion will be declared by way of final dividend considering the full year's accounts and will be paid after the approval of shareholders at the Annual General Meeting of the Company.

# ANNEXURE I TO DIRECTORS' REPORT

**Disclosures**

a. This policy will be made available on the Company's website.

b. The policy will also be disclosed in the Company's annual report

**B. In addition to above parameters, the Company will ensure the compliance with reference to criteria's prescribed in the Regulation 33 of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**

1. The Board of Directors of the Company shall, while considering the proposals for dividend, take into account each of the following aspects:
   a. Supervisory findings of the Reserve Bank on divergence in classification and provisioning for Non-Performing Assets (NPAs).
   b. Qualifications in the Auditors' Report to the financial statements; and
   c. Long term growth plans of the NBFC.
2. The Company shall declare dividend if it meets the following minimum prudential requirements:
   a. The Company shall have met the minimum capital requirements (**refer Annex 1**) (including leverage ratio wherever applicable) prescribed under these Directions in each of the last three financial years including the financial year for which the dividend is proposed.
   b. The net NPA ratio shall be less than six percent in each of the last three years, including as at the close of the financial year for which dividend is proposed to be declared.
   c. The Company shall comply with the provisions of section 45-IC of the RBI Act, 1934.
   d. The Company shall be compliant with the prevailing regulations/ guidelines issued by the Reserve Bank. The Reserve Bank shall not have placed any explicit restrictions on declaration of dividend.
3. If the Company meets the eligibility criteria specified in paragraph B.2 above can declare dividend upto a dividend payout ratio of 50 percent. There will be no ceiling on dividend payout ratio for eligible NBFCs that do not accept public funds and have no customer interface.
4. If the Company does not meet the applicable capital ratio (including leverage ratio wherever applicable) requirements and/ or the net NPA ratio requirement as above, for each of the last three financial years, shall be eligible to declare dividend, subject to a cap of 10 percent on the dividend payout ratio, provided the NBFC complies with both the following conditions:
   a. meets the applicable minimum capital requirement (including leverage ratio wherever applicable), as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, in the financial year for which it proposes to pay dividend, and
   b. has net NPA of less than four percent as at the close of the said financial year.
5. The Board shall ensure that the total dividend proposed for the financial year does not exceed the ceilings specified in these guidelines. The Reserve Bank shall not entertain any request for ad-hoc dispensation on declaration of dividend.
6. The Company shall report details of dividend declared during the financial year as per the format prescribed in **Annex 2**. The report shall be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank

**Amendments to the Policy**

The Board shall review and amend this Policy as and when required. Any subsequent amendment/modification in the regulation and/or other applicable laws in this regard shall automatically apply to this policy.

**Annex 1:**

**Capital Requirement pursuant to regulation 81 of Chapter IX Prudential Regulations of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**

a. NBFCs shall maintain a minimum capital ratio consisting of Tier 1 and Tier 2 capital which shall not be less than 15 percent of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items.

b. Tier 1 capital in respect of NBFC (except NBFC-MFI and NBFC primarily engaged in lending against gold jewellery), at any point of time, shall not be less than 10 percent

# ANNEXURE I TO DIRECTORS' REPORT

**Annex 2: Reporting format for NBFCs/HFCs declaring dividend**

(Refer paragraph B.6 of policy, to be furnished within a fortnight after declaration of dividend to the Regional Office of the Department of Supervision of the Reserve Bank/ Department of Supervision of National Housing Bank, under whose jurisdiction the NBFC is registered.)

**Details of dividend declared during the financial year**

**Name of the NBFC – _____**

| Accounting period * | Net profit for the accounting period (₹ crore) | Rate of dividend (%) | Amount of dividend (₹ crore) | Dividend Payout ratio (%) |
|---|---|---|---|---|
| | | | | |

* quarter or half year or year ended _____ as the case may be.

# ANNEXURE II TO DIRECTORS' REPORT

## THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

IIFL Finance Limited (the "Company") ensures that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The Company strongly believes that Corporate Social Responsibility ("CSR") initiatives help to promote inclusive growth and equitable development.

The CSR Policy and activities of the Company are steered by the same values that guide the business of the Company. It can be summarized in one acronym – FIT, which stands for:

- **Fairness** in all our transactions
- **Integrity** and Honesty in letter, in spirit and in all our dealings with people
- **Transparency** in all our dealings

By applying these values to the CSR activities, the Company undertakes initiatives that create sustainable growth and empower underprivileged sections of the society.

The focus areas prioritized by the Company in its CSR strategy are guided by the philosophy of **HELP** (Health, Education & Environment, Livelihood and Poverty Alleviation). The CSR activities of the Company are executed by India Infoline Foundation (generally referred as "IIFL Foundation"), the Implementing Agency. In line with its philosophy, the Company had undertaken the following activities during FY 2024-25:

- Medical Camp at Barsana, District Mathura in Uttar Pradesh, offering free of cost Cataract Operations, Dental Check-ups, Treatments and Surgeries;
- Medical Camp at Pandharpur, District Solapur in Maharashtra, offering free of cost treatment to thousands of pilgrims visiting in month of July;
- Repair and renovation of Dharamshala at the Maharana Bhupal Government Hospital, Udaipur, Rajasthan, by upgrading 6 Halls, 31 washrooms and 36 rooms, benefiting the marginalised population under treatment at the Government hospital;
- Emergency Medical Assistance at the Mahakumbh Mela in Prayagraj, Uttar Pradesh, offering life-saving services at the massive gathering with Emergency Medical Assistance Boats (with rescue swimmers), Doctors and trained volunteers;
- A first-aid workshop on conducting life-saving CPR (Cardiopulmonary Resuscitation) during medical emergency in Mumbai, Maharashtra;
- Donation of an Ambulance to the Sub District Hospital – Lolab, Kupwara, an aspirational district in Jammu & Kashmir;
- Donation of Medical Equipment - Endohold ENT surgical machine and Frenzel Goggles pack, to ENT Department at the Maharana Bhupal Government Hospital in Udaipur, Rajasthan;
- Building foundational literacy among females from marginalized communities of Rajasthan, through flagship programme 'Sakhiyon ki Baadi', which has an overall reach across 5 districts with 255 learning centres;
- Digital Shaala programme in Government Schools through 50 television sets upgraded with educational content to improve students learning experience, in the grade 6$^{th}$-8$^{th}$, especially for girls from 10-16 years of age;
- Support for Education and Nutrition of boys at Shelter Home in Mumbai, Maharashtra;
- Smart Shala programme to promote Academic Learning of Teachers and Students at Government schools in Jodhpur, Bikaner & Jaipur. Through this programme, the organization engaged with 1.11 lakh students and 3,010 teachers from 1,505 Government schools;
- Setting up and operating an English Language Lab and Computer Lab at 2 Government schools in Rajsamand District, Rajasthan, to improve learning outcomes of the students;
- Support to a Primary School in Kandivali, Mumbai, Maharashtra, for education of children from financially weaker group residing in slums;
- Provided essential IT equipment to setup E-learning centre for children with special needs (Intellectual Disability);
- An awareness program on Girls Education (Akshar Jyoti) among rural communities promoting

# ANNEXURE II TO DIRECTORS' REPORT

importance of Education for girls, subsequently assisting their enrolment at Government School, in Udaipur, Rajasthan;

- Financial literacy program for Girls students at Government Girls School in Udaipur district of Rajasthan;
- Support to setup a Computer Lab at Sri Ramkrishna Mission (SRKM) Vivekanand Girls High School, Chennai, Tamil Nadu;
- Supported surveying of Rajasthan state for the Annual Status of Education Report (ASER) 2024 facilitated by Pratham Foundation;
- Supported upgradation of school for children of marginalised (Scheduled Tribe) with construction at classroom and a Kitchen at Sarvalli village in Dahanu (Taluka), Palghar district of Maharashtra;
- A skill development course on Banking and Finance for 30 youths from lower income groups, in Mumbai, Maharashtra;
- Homestay Host Training, a skill development programme for youths at Tezu, Arunachal Pradesh, to offer livelihood to the native population and help promote tourism. The project is supported by the National Cadet Corp (NCC) - India, under the Ministry of Defence;
- Skill development programmes in Hospitality Training Programme (Chef Trade – Commis Chef) for youths residing at Kupwara (Aspirational) district in Kashmir. The programme is supported by Indian Army;
- Conducted Relief activity at Flood affected site in Dibrugarh, Assam;
- Support to 35th Maharashtra State Police Sports Competition held in Thane, Maharashtra;
- Donated haematology analyser for blood testing to provide detailed information about the different types of blood cells, including red blood cells (RBCs), white blood cells (WBCs), and platelets;
- Set up English language labs in government schools to strengthen English comprehension and language skills;
- Extended salary support to contract teachers to ensure uninterrupted education in public schools;
- Promoted digital literacy through installation of two smart boards at two government schools; and
- Financial support to a deserving underprivileged student to ensure education continuity.

## 2. COMPOSITION OF CSR COMMITTEE:

The Company has constituted a CSR Committee of the Board that fulfils all requirements of Section 135 of the Companies Act, 2013 (the "Act"). The members constituting the Committee as on March 31, 2025 have been listed below:

| Name of Director | Designation / Nature of Directorship | Number of meetings held during the year | Number of meetings attended during the year |
|---|---|---|---|
| Mr. Bijou Kurien | Chairperson (Independent Director) | 2 | 2 |
| Mr. Nihar Niranjan Jambusaria | Member (Independent Director) | 2 | 2 |
| Mr. R Venkataraman | Member (Joint Managing Director) | 2 | 2 |

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

For Composition of the CSR committee:

https://www.iifl.com/finance/investor-relations/corporate-governance?redirect=menu-bar

For CSR policy:

https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf

For CSR projects:

https://www.iifl.com/finance/iifl-foundation

## 4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE:

Not Applicable

# ANNEXURE II TO DIRECTORS' REPORT

5.

| Sl. No. | Particulars | Amount (in ₹) |
|---|---|---|
| a. | Average net profit of the Company as per sub-section (5) of section 135 | 7,94,31,65,272 |
| b. | Two percent of average net profit of the Company as per sub-section (5) of section 135 | 15,88,63,306 |
| c. | Surplus arising out of the CSR Projects or program or activities of the previous financial years | - |
| d. | Amount required to be set-off for the financial year, if any | - |
| e. | Total CSR obligation for the financial year [(b)+(c)-(d)] | 15,88,63,306 |

6. **a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 4,92,09,534

**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)]:** ₹ 4,92,09,534

**e. CSR amount spent or unspent for the Financial Year:**

| Total Amount Spent for the Financial Year (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 (in ₹) | Date of transfer | Name of the Fund | Amount (in ₹) | Date of transfer |
| 4,92,09,534 | 11,04,98,029* | April 25, 2025 | - | - | - |

*The amount includes interest amount of Rs.8,44,257.

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

| Sl. No. | Particulars | Amount (in ₹) |
|---|---|---|
| i | Two percent of average net profit of the Company as per sub-section (5) of section 135 | - |
| ii | Total amount spent for the Financial Year | - |
| iii | Excess amount spent for the Financial Year (ii-i) | - |
| iv | Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any | - |
| v | Amount available for set off in succeeding Financial Years (iii-iv) | - |

7. **DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS**

| Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|
| | | | | Amount (in ₹) | Date of Transfer | | |
| 2023-24 | 1,60,89,437* | - | 1,60,89,437* | - | - | - | - |
| 2022-23 | - | - | - | - | - | - | - |
| 2021-22 | - | - | - | - | - | - | - |

*The mentioned unspent amount relates to an 'Ongoing Project' from the financial year 2023–24 and has been utilized during the financial year 2024–25.

# ANNEXURE II TO DIRECTORS' REPORT

## 8. DETAILS OF CAPITAL ASSETS CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

Number of Capital assets created/ acquired: 3

| Sr. 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(in ₹) | Details of Entity/ Authority/ Beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| 1 | Trax Cruiser Ambulance BSVI (6+P) Chasis no: MC1D4DCA8SP108020 | 193223 | March 27, 2025 | 16,95,000 | NA | Block Medical Officer (BMO), Sogam | Sogam, Lolab, Kupwara, Jammu & Kashmir |
| 2 | H560-5 Part Fully automated Differential Hematology Analyzer (HSN Code - 90278090) | 313322 | March 24, 2025 | 5,07,400 | NA | Community Health Centre (CHC), Khamnor | Community Healthcare Centre (CHC), Khamnor, District Rajsamand, Rajasthan |
| 3 | EndoHold GS 201 B mini for two handed Endoscopic Ear, Nose & Throat surgeries (HSN Code - 90181100) | 313001 | March 18, 2025 | 5,29,200 | NA | Maharana Bhupal Government Hospital | Maharana Bhupal Government Hospital, Hospital Road, Udaipur, Rajasthan |

## 9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135:

During the financial year 2024-25, the Company allocated 2% of its average net profits (computed as per the relevant provisions of the Companies Act, 2013) of the preceding years on CSR projects amounting to ₹ 15,88,63,306, by utilising the amount of ₹ 4,92,09,534 on various social development activities and reserving amount of ₹ 11,04,98,029 (This amount includes interest amount of ₹ 8,44,257) for the ongoing project, thereby fulfilling its commitment.

**For IIFL Finance Limited**

**Mr. Bijou Kurien**
Chairperson, CSR Committee
Independent Director
(DIN: 01802995)

**Mr. R. Venkataraman**
Member, CSR Committee
Joint Managing Director
(DIN: 00011919)

Date: May 8, 2025
Place: Mumbai

# ANNEXURE III TO DIRECTORS' REPORT

## INFORMATION RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND INNOVATION AND FOREIGN EXCHANGE EARNINGS/OUTGO FORMING PART OF THE DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013.

**Conservation of Energy:**

The Company is engaged in providing financial services and, as such, it's operations do not account for substantial energy consumption. However, the Company is taking all possible measures to conserve energy. Several environment friendly measures were adopted by the Company such as:

- Installation of sensor-based lights in common areas;
- Installation of capacitors to save power;
- Introduction of Tablets in branches;
- Installation of Light Emitting Diode ("LED") lights for new branches;
- Creating environmental awareness by way of distributing the information in electronic/digital form;
- Shutting off all lights, when not in use;
- Installation of access-based network printers to control printing, thereby saving paper;
- Use of Green power in Corporate office;
- Installation of Solar panel in one premise; and
- Installation of rain harvesting system in 2 premises.

The Management frequently puts circulars on the corporate intranet, workplace for its employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance of the same.

**Technology Absorption and Innovation:**

At IIFL Finance Limited, technology is pivotal to driving our growth, enhancing customer experiences, and strengthening risk management. Leveraging robust digital infrastructure, advanced cybersecurity, and innovative solutions such as cloud platforms and AI-driven processes, we remain agile and resilient. Our technological imperatives align strategically, enabling us to deliver secure and seamless financial services in a dynamic digital landscape.

**Highlights of the current year (Technology):**

**Setting up of Digital Innovation Centre in Bengaluru:**

- Migrated to a unified Flutter-based platform and enhanced cloud infrastructure on Azure with a dedicated subscription for seamless scalability.
- Implementation of Zero Trust Network Access (ZTNA), enhanced 24/7 Security Operations Centre (SOC), and conducted regular cybersecurity drills to strengthen cyber response and resilience.
- Consolidated chatbot functionalities and streamlined APIs to deliver a consistent and efficient omnichannel experience.
- Piloted Generative AI in service delivery and internal operations to drive efficiency, responsiveness, and future-readiness.
- Rolled out targeted training programs focused on cybersecurity, emerging technologies, and application use to build a digitally capable workforce.

**IIFL Loans App:**

- Delivering a seamless and intuitive account management experience.
- Enabling end-to-end digital completion of loan applications.
- Minimizing documentation through paperless processing.
- Providing an easy-to-navigate platform for real-time account access.
- Offering convenient features like online top-ups, gold loan renewals, and instant personal loan options.
- Supporting quick and hassle-free loan payments.

**Partnerships / Collaborations with Tech Ecosystem**

Recognizing the value of collaborative innovation, the Company has forged strategic alliances with leading technology providers, cloud enablers, and fintech partners. These partnerships have supported co-lending integrations, real-time API connectivity, cloud scalability, and AI-driven automation—strengthening the Company's position as a digitally empowered NBFC. Notably, the collaboration with Azure and specialized vendors has helped scale digital infrastructure and security resilience.

**Gen AI Adoption aligned to Business Strategy**

In line with our innovation-led roadmap, the Company has piloted Generative AI applications and internal operations. The use of Gen AI supports and improves employee efficiency—delivering tangible impact across service quality and cost optimization. These pilots are being progressively aligned with business processes to institutionalize automation and strengthen competitive agility.

**Leveraging Technology for Branch Security**

To ensure safe and compliant operations across our vast branch network, the Company leverages advanced surveillance systems, access control solutions, and digitally monitored vault security for its gold loan operations. Integration of tech-driven security protocols within the core infrastructure reinforces customer confidence and enhances regulatory adherence, particularly in high-risk geographies.

# ANNEXURE III TO DIRECTORS' REPORT

**Stable and Secure Tech Setup**

Built on a robust Azure-based cloud foundation, the Company's technology infrastructure is designed for resilience, agility, and scalability. With ISO27001 and ISO22301 certifications in place, the Company ensures business continuity, information security, and real-time performance monitoring across systems. Regular audits, vulnerability assessments, and a 24x7 automated SOC further reinforce our commitment to a secure digital environment.

**Overview of the Information & Cyber Security practices:**

Your Company remains committed to leveraging advanced technology and ensuring vigorous cybersecurity measures to drive innovation, safeguard operations, and maintain the trust of our customers and stakeholders. As the Company continues to grow and evolve in an increasingly digital landscape, the Company has developed a comprehensive Technology and Cybersecurity Strategy that aligns with the organization's business goals and strengthens its operational resilience.

In line with our commitment to securing sensitive information and mitigating risk, the Company's cybersecurity framework is built on global standards, industry best practices and applicable regulatory guidelines. The Company adopts a multi-layered approach to protect our systems, data, and networks from potential threats, with a focus on continuous monitoring, swift response, and proactive risk management. The foundation of our cybersecurity strategy includes advanced threat prevention & detection tools, continuous monitoring, and incident response framework, ensuring the Company can quickly identify, assess, and address any security incidents.

Our data governance measures are designed to secure customer and financial data at all stages—from collection and processing to storage and transmission. The Company adheres to stringent encryption standards to prevent unauthorized access.

Furthermore, business continuity and disaster recovery are integral components of our technology strategy. The Company maintains a disaster recovery plan to ensure minimal disruption in case of system failures, cyberattacks, or other unforeseen events. Our infrastructure is designed to provide maximum uptime, with failover capabilities and regular testing to ensure preparedness.

As part of our strategy to foster a culture of cybersecurity awareness, the Company's prioritizes employee training and awareness programs across the organization. Employees are equipped with the knowledge needed to recognize potential threats such as phishing, social engineering, and other cyber risks, creating a first line of Defense against human error.

The Company regularly assesses emerging technologies and trends, ensuring that our IT strategy remains forward-looking and capable of adapting to the changing business environment.

The Company is committed to continuously enhancing our technological capabilities and cybersecurity resilience to deliver secure, innovative, and customer-centric solutions.

Highlights of the current year (Information & Cyber Security):

- Sustained ISO27001 Certification and initiated journey towards version migration from v2013 to v2022.
- Initiation of Zero Trust Network Access (ZTNA) implementation for enhanced security by continuous verification, minimizing risks from unauthorized users and devices.
- Enhancement and automation of 24/7 Security Operations Center (SOC) services to enable rapid security incident detection and immediate response.
- Strategic partnership with Data Security Council of India (DSCI) for Cyber Security and Data Privacy Initiatives.
- Implementation of Database Activity Monitoring solution.
- Automation of tabletop cybersecurity drills to enhance security awareness and improve incident response readiness.
- Sustained ISO22301 Certification for Business Continuity Management System (BCMS).

**Foreign Exchange Earnings/Outgo of the Standalone Company:**

a) The foreign exchange earnings: Nil

b) The foreign exchange expenditure: ₹463.94 Crore

**Research and Development (R&D):**

The Company is engaged in finance and financial services; therefore, there were no activities of a research and development nature involved in its business.

**Amount of expenditure incurred on R&D:**

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Capital | Nil | Nil |
| Revenue | Nil | Nil |

**For IIFL Finance Limited**
**Arun Kumar Purwar**
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: May 8, 2025
Place: Mumbai

# ANNEXURE IV TO TO DIRECTORS' REPORT

## 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 the FY 2024-25 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2024-25 are as under:

| Sr. No. | Name of Director / KMP | Category | Ratio of Remuneration of each Director / to median remuneration of employees | % increase in Remuneration in the FY 2024-25 |
|---|---|---|---|---|
| 1 | Mr. Nirmal Jain | Managing Director | 379.55 | - |
| 2 | Mr. R Venkataraman* | Joint Managing Director | Nil | - |
| 3 | Mr. Arun Kumar Purwar | Chairperson & Non-Executive Director | - | - |
| 4 | Mr. Ramakrishnan Subramanian | Independent Director | - | - |
| 5 | Mr. T S Ramakrishnan | Non-Executive Nominee Director | - | - |
| 6 | Mr. Nihar Niranjan Jambusaria | Independent Director | - | - |
| 7 | Mr. Bijou Kurien | Independent Director | - | - |
| 8 | Mr. Gopalakrishnan Soundaranjan@ | Non-Executive Non-Independent Director | - | - |
| 9 | Ms. Nirma Anil Bhandari@@ | Independent Director | - | - |
| 10 | Mr. Chandran Ratnaswami^ | Non-Executive Non-Independent Director | - | - |
| 11 | Mr. Vijay Kumar Chopra^^ | Independent Director | - | - |
| 12 | Ms. Geeta Mathur^^^ | Independent Director | - | - |
| 13 | Mr. Kapish Jain | Chief Financial Officer | N.A. | 10.00 |
| 14 | Ms. Mauli Agarwal^^^^ | Company Secretary & Compliance Officer | N.A. | N.A. |
| 15 | Mr. Samrat Sanyal @@@ | Company Secretary & Compliance Officer | N.A. | - |

*Mr. R Venkatraman is appointed as the Managing Director of IIFL Capital Services Limited (formerly known as IIFL Securities Limited), w.e.f. March 22, 2025 and is drawing his entire remuneration from IIFL Capital Services Limited (formerly known as IIFL Securities Limited). Previously, he was Managing Director of IIFL Facilities Services Limited and was drawing his entire remuneration from IIFL Facilities Services Limited.

@Mr. Gopalakrishnan Soundaranjan was appointed as Non-Executive Non-Independent Director w.e.f. May 11, 2024.

@@Ms. Nirma Anil Bhandari was appointed as Independent Director w.e.f. September 16, 2024.

@@@Mr. Samrat Sanyal was appointed as the Company Secretary & Compliance Officer of the Company w.e.f August 23, 2024.

^ Mr. Chandran Ratnaswami ceased to be director of the Company w.e.f. May 10, 2024.

^^ Mr. Vijay Kumar Chopra ceased to be director of the Company w.e.f. May 20, 2024.

^^^ Ms. Geeta Mathur ceased to be director of the Company w.e.f. September 17, 2024.

^^^^ Ms. Mauli Agarwal ceased to be Company Secretary & Compliance Officer of the Company w.e.f August 23, 2024.

#The details with regard to Non-Executive Directors are not applicable as they have not received any fixed salary except sitting fees for attending the Board & Committee Meetings and commission. Further, sitting fees and commission are paid as per the statutory provisions and within the limits approved by the Shareholders. The details of remuneration paid to Non-Executive Directors during the year under review are provided in the Report on Corporate Governance.

ii. In the Financial Year, there was an increase by 14 % in the median remuneration of Employees. The calculation of percentage of increase in Median Remuneration is done based on comparable employees. For this, the employees who were not eligible for any increment have been excluded.

iii. There were 14,782 permanent employees on the pay rolls of Company as on March 31, 2025.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable to the Company as all the employees are under Managerial Role.

v. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

**For IIFL Finance Limited**
**Arun Kumar Purwar**
Chairperson & Non-Executive Director
(DIN: 00026383)

Date: May 8, 2025
Place: Mumbai

# ANNEXURE V TO DIRECTORS' REPORT

**FORM NO. MR-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,**
**IIFL Finance Limited**
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by IIFL Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities 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 financial year ended 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2025, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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

(iv) 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, to the extent the same was applicable to the Company;

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

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

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

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);

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

  (e) 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;

  (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

(vi) Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as updated from time to time the provisions of Reserve Bank of India Act, 1934 and the Regulations, Directions, Guidelines, Notifications and Circulars issued by Reserve Bank of India from time to time and as applicable to the Company.

# ANNEXURE V TO DIRECTORS' REPORT

We have verified systems and mechanism which is in place and followed by the Company to ensure Compliance of these specifically applicable Laws mentioned at serial no. v and vi (in addition to the above mentioned Laws (i to iv) and applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

(b) Uniform Listing Agreement(s) entered with stock exchanges.

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

(b) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above-mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non-compliance in respect of the same save and except the following:

a. The Company has not submitted its annual audited financial results along with the audit report for financial year ended March 31, 2024 within sixty days from the end of the financial year pursuant to Regulation 33 (3) (d), Regulation 52 (1) and Regulation 52 (2) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, BSE Limited and National Stock Exchange of India vide their email dated June 28, 2024 has imposed fine of ₹ 94,400/- each. The Company has paid the fine.

b. The Company has paid remuneration to Mr. Nirmal Jain – Managing Director of the Company in excess of maximum remuneration as provided under Section 197 read together with Schedule V of the of the Companies Act, 2013 and Regulation 17 (6) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have been informed that due to RBI cease and desist order on Gold Loan business from March 4, 2024 to September 19, 2024, the business volume and the resultant net profit for the current fiscal was heavily impacted resulting in payment of excess remuneration. The Company proposes to obtain approval of members at the ensuing Annual General Meeting for waiver of excess remuneration.

**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 year under review were carried out in compliance with the provisions of the Companies Act, 2013.

We also report that adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and shorter notice in case of urgency and a system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, we herewith report that majority decisions are carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, following event / action have taken place having major bearing on the Company's affairs:

I. Reserve Bank of India (RBI) in their inspection of the Company had observed certain material supervisory concerns in the gold loan portfolio of the Company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction

of loans and at the time of auction upon default; breaches in Loan-to-Value ratio; significant disbursal and collection of loan amount in cash far in excess of the statutory limit; non-adherence to the standard auction process; and lack of transparency in charges being levied to customer accounts, etc. These practices, apart from being regulatory violations, also significantly and adversely impact the interest of the customers. Subsequently, RBI in their press release and order dated March 4, 2024 had directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans. However, RBI in the aforesaid press release directed that the Company can continue to service its existing gold loan portfolio through usual collection and recovery processes. Further post completion of the financial year under review, pursuant to above mentioned press release / order, Special Audit as directed by the RBI has commenced w.e.f April 23, 2024 and the same has been concluded. Further the RBI through their communication dated September 19, 2024, lifted the restrictions imposed on the Company.

II. Private Placement of Secured / Unsecured, Redeemable / Subordinated Non-Convertible Debentures / Non-Convertible Market Linked Debentures as mentioned below:

1. The Company has allotted 75 Unsecured Subordinated Listed Rated Redeemable Non-Convertible Subordinated Debentures of Face Value of INR 1,00,00,000 (Indian Rupees One Crore) each aggregating to INR 75,00,00,000 (Indian Rupees Seventy-Five Crore) under Series D26 on October 16, 2024.
2. The Company has allotted 60,000 Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 600,00,00,000 (Indian Rupees Six Hundred Crore) under Series D27 on December 3, 2024.
3. The Company has allotted 50 Unsecured Subordinated Listed Rated Redeemable Non-Convertible Subordinated Debentures of Face Value of INR 1,00,00,000 (Indian Rupees One Crore) each aggregating to 50,00,00,000 (Indian Rupees Fifty Crore) under Series D26 on December 6, 2024.
4. The Company has allotted 25,000 Secured Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 2,50,00,00,000 (Indian Rupees Two Hundred and Fifty Crore) under Series D28 on December 20, 2024.
5. The Company has allotted:

   (i) 40,000 (Forty Thousand) Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 4,00,00,00,000 (Indian Rupees Four Hundred Crore);

   (ii) 40,000 (Forty Thousand) Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 4,00,00,00,000 (Indian Rupees Four Hundred Crore) and

   (iii) 4,000 (Four Thousand) Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 40,00,00,000 (Indian Rupees Forty Crore) under Series D29 Option A, Option B and Option C respectively on January 16, 2025.
6. The Company has allotted 100 Unsecured Redeemable Non-Convertible Subordinated Debentures of Face Value of INR 1,00,00,000 (Indian Rupees One Crore) each aggregating to INR 1,00,00,00,000 (Indian Rupees One Hundred Crore) under Series D30 on February 18, 2025.
7. The Company has allotted 13,500 Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 1,35,00,00,000 (Indian Rupees One Hundred Thirty-Five Crore) under Series D31 on March 7, 2025.
8. The Company has allotted 40,000 (Forty Thousand) Secured Listed Rated Redeemable Non-Convertible Debentures of Face Value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 4,00,00,00,000 (Indian Rupees Four Hundred Crore) under Series D29 Option C respectively on March 20, 2025.

III. Issuance of senior secured notes under the global medium term note programme:

1. The Company has allotted USD 325,000,000 8.75% Senior, Secured, Fixed Rate Notes due 2028 on January 24, 2025 issued under Regulation S and/ or Rule 144A of the U.S. Securities Act 1933 as part of the USD 1 billion Global Medium Term Note

# ANNEXURE V TO DIRECTORS' REPORT

Programme updated by the Company by way of offering circular dated December 31, 2024 filed with India International Exchange (IFSC) Limited.

2. The Company has allotted USD 100,000,000 8.75% Senior, Secured, Fixed Rate Notes due 2028 on March 11, 2025 issued under Regulation S of the U.S. Securities Act 1933 as part of the USD 1 billion Global Medium Term Note Programme updated by the Company by way of offering circular dated December 31, 2024 filed with India International Exchange (IFSC) Limited

IV. The Company has filed Shelf and Tranche prospectus for the Public Issue of Secured, Redeemable, Non-Convertible Debentures on March 29, 2025. The allotment under the said public issue was done post completion of financial year under review.

Note: This Report is to be read along with attached Letter provided as "**Annexure - A**".

**Signature:**
**Name: Rakesh Achhpal (Partner)**
**For Nilesh Shah & Associates**
Company Secretaries
ACS: 54525
C.P.: 20438
Peer Review No. 6454/2025

Date: May 8, 2025
Place: Mumbai
UDIN: A054525G000301629

# 'ANNEXURE A'

To

**The Members,**
**IIFL Finance Limited**
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

Dear Sir / Madam,

**Sub: 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 (by verifying records as was made available to us) 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 we rely on Auditors Independent Assessment on the same.
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 the management. Our examination was limited to the verification of process followed by the Company to ensure adequate Compliance.
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.

**Signature:**
**Name: Rakesh Achhpal (Partner)**
**For Nilesh Shah & Associates**
Company Secretaries
ACS: 54525
C.P.: 20438
Peer Review No. 6454/2025

Date: May 8, 2025
Place: Mumbai
UDIN: A054525G000301629

# ANNEXURE VI TO DIRECTORS' REPORT

**FORM NO. MR-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 Personnel) Rules, 2014]

To,

**The Members**
**IIFL Home Finance Limited**
(CIN: U65993MH2006PLC166475)
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, MIDC, Thane Industrial Area,
Wagle Estate, Thane, Maharashtra - 400604

We have conducted the secretarial audit of the compliances of applicable statutory provisions and in adherence to good corporate practices by IIFL Home Finance Limited (hereinafter referred to as "the Company"), having its Registered Office at IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B -23, MIDC, Thane Industrial Area, Wagle Estate Thane, Maharashtra – 400 604 and Corporate Office at Plot No. 98, Udyog Vihar, Phase IV, Gurgaon, Haryana-122 015. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification, of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information/ explanation 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 financial year ended March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the Audit Period, according to the provisions of:

(I) The Companies Act, 2013 ('the Act') and the rules made thereunder;

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

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

(IV) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of compliances relating to Foreign Direct Investment. However, during the period under review, there were no transactions for 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") :-

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; [**The Company has introduced Employee Stock Option Plan. However, being a Debt listed Company, the regulations are not applicable since the shares of the Company are not listed on any stock exchange**];

(e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**"SEBI NCS Regulations"**).

(f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of the securities issued;

(g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**];

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; [**Not applicable since the shares of the Company are not listed on any stock exchange during the period under review**].

# ANNEXURE VI TO DIRECTORS' REPORT

(VI) The Company is Housing Finance Company registered with National Housing Bank (NHB). Further, the Company is also registered with Insurance Regulatory and Development Authority of India (IRDAI) as Corporate Agent. The Company ensures compliance with all applicable regulations, circulars, and directions issued from time to time by the NHB, Reserve Bank of India (RBI), and IRDAI.

For the compliances of Labour Laws & other General Laws, our examination and reporting is based on the documents, records and files as produced and shown to us by the officers and management of the Company. To the best of our judgment and understanding of the applicability of the different enactments relevant to the Company there are adequate systems and processes in the Company to monitor and ensure compliance with applicable Labour Laws & other General Laws.

The compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in our audit since the same have been subject to review by the Statutory Auditor and other designated professionals.

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

1. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India. However, the stricter applicability of the Secretarial Standards is to be observed by the Company.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")
3. General Circular no. 14/2020 dated April 08, 2020, General Circular no. 17/2020 dated April 13, 2020, General Circular no. 20/2020 dated May 05, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular no. 2/2022 dated May 05, 2022, General Circular no. 10/2022 dated December 28, 2022, General Circular no. 09/2023 dated September 25, 2023 and General Circular no. 09/2024 dated September 19, 2024 read with issued by the Ministry of Corporate Affairs to hold Annual General Meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors during the period were carried out in compliance with the provisions of the Act and SEBI Listing Regulations.
- Adequate notices were given to all directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance to all the directors except where the meetings were held at a shorter notice. Further, 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.
- As per the minutes of the meetings of the Board and Committees of the Board, duly signed by the Chairman, all the decisions of the Board and Committees of Board were adequately passed and no dissenting views have been recorded.
- As informed by the Management, BSE Limited (BSE) has levied the fines on the Company for intimation of record date under Regulation 60(2) of SEBI Listing Regulations with respect to ISIN listed on January 05, 2022. The Company has provided the required clarifications. Based on the submissions made, BSE has waived the fines imposed, as communicated via its email dated February 7, 2025.
- The Company has received a Show Cause Notice from Department of Debt and Hybrid Securities, Supervision, Enforcement and Complaints Division of SEBI for violation of Regulation 31 of the SEBI NCS Regulations regarding additional interest incentives offered to certain investors in the Tranche II Prospectus dated December 03, 2021 filed for Public Issue. The Company has provided the clarifications within the prescribed timeline. However, SEBI subsequently issued a Settlement Notice dated June 14, 2024, proposing a settlement amount of Rs. 6,25,000. The Company has paid the settlement amount within the stipulated period to conclude the matter.

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

**We further report that** the Company has complied with the provisions of Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading Regulations), 2015 with respect to maintenance of Structural Digital Database to the extent applicable.

As per the records, the Company has filed returns, documents and resolutions as were required to be filed with the Registrar of Companies.

# ANNEXURE VI TO DIRECTORS' REPORT

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Standards etc.

**We further report that** during the audit period the Company has undertaken following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:-

1. Mr. Srinivasan Sridhar (DIN: 00004272) has been appointed as an Additional Director (Non-Executive Director) on the Board of the Company with effect from April 01, 2024. Further, his appointment was confirmed by the Shareholders in an Annual General Meeting ("AGM") held on June 20, 2024.
2. Mr. Ramakrishnan Subramanian (DIN: 02192747) has been appointed as an Additional Director (Independent Director) by the Board of Directors for a term of five years with effect from April 01, 2024. Further, his appointment was confirmed by the Shareholders in AGM held on June 20, 2024.
3. Mr. Mohan Sekhar (DIN: 00032093) has been appointed as an Additional Director (Independent Director) by the Board of Directors for a term of five years with effect from June 30, 2024. Further, his appointment was confirmed by the Shareholders in an Extra Ordinary General Meeting ("EGM") held on September 26, 2024.
4. Mr. Sumit Jhunjhunwala was appointed as Chief Financial Officer with effect from February 12, 2025 as his earlier incumbent Mr. Gaurav Seth has stepped down with effect from February 11, 2025.
5. The Company has approved the appointed of M/s. Sundaram & Srinivasan, Chartered Accountants (ICAI Firm Registration No.004207S) as one of the Joint Statutory Auditors to hold office for a period of 3 (three) years from Financial Year 2024-25 to Financial Year 2026-27 in an AGM held on June 20, 2024 on account of completion of term of his earlier incumbent.
6. The Members of the Company had approved amendments in the IIFL- HFL ESOP PLAN-2022 (herein after referred as "ESOP Plan") by way of passing a Special Resolution in the EGM held on November 21, 2024.
7. The Board of Directors have accorded their approval to issue and allot listed, rated, secured, redeemable, non-convertible debentures ("NCDs") aggregating to INR 3,000/- Crore (Indian Rupees Three Thousand Crores) under a Prospectus/ Shelf and Tranche Prospectus structure in one or more tranches including green shoe option, if any, through Public Issue. The Finance Committee, (through powers delegated by the Board) has allotted 38,03,495 (Thirty Eight lakh Three Thousand Four Hundred and Ninety Five) Secured Redeemable Non-Convertible Debentures (SNCDs) of INR 1,000/- each (Indian Rupees One Thousand each) for cash aggregating to INR 3,80,34,95,000/- (Indian Rupees Three Hundred Eighty Crore Thirty Four Lakh Ninety Five Thousand only), on December 26, 2024.
8. The Board of Directors have accorded their approval to issue and allot offer, Secured /Unsecured/ Listed/ Unlisted/ Rated/ Unrated / Non-Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures, aggregating to INR 6500/- Crore (Indian Rupees Six Thousand Five Hundred Crores) on Private Placement basis during the financial year 2025-2026, in one or more tranches.
9. The Finance Committee has allotted 25,000 (Twenty Five Thousand) Secured, Rated, Listed, Redeemable Non-Convertible Debentures (SNCDs) of INR 1,00,000/- each (Indian Rupees One Lakh each) for cash at par aggregating to INR 250,00,00,000/- (Indian Rupees Two Hundred and Fifty Crore only), 5,000 (Five Thousand) Secured, Rated, Listed, Redeemable Listed Non-Convertible Debentures (SNCDs) of INR 1,00,000/- each (Indian Rupees One Lakh each) for cash at par aggregating to INR 50,00,00,000/- (Indian Rupees Fifty Crore only) and 25,000 (Twenty Five Thousand) Secured Rated, Listed, Redeemable Non-Convertible Debentures (SNCDs) of INR 1,00,000/- each (Indian Rupees One Lakh each) for cash at par aggregating to INR 2,50,00,00,000/- (Indian Rupees Two Hundred and Fifty Crore only) on private placement basis on October 15, 2024, January 28, 2025 and February 06, 2025 respectively.

**For RMG & Associates**
Company Secretaries
Peer Review No. 6403/2025
Firm Registration No. P2001DE016100

**CS Sachin Khurana**
Partner
FCS:10098; C.P. No.:13212

Place: New Delhi
Date: 06-05-2025
UDIN: F010098G000274615

Note: This report is to be read with "Annexure" which forms an integral part of this report

# ANNEXURE

To,

**The Members,**
**IIFL Home Finance Limited**
(CIN: U65993MH2006PLC166475)
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, MIDC, Thane Industrial Area,
Wagle Estate, Thane, Maharashtra - 400604

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2025 is to be read along with this letter:

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances as produced before us.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have conducted online verification & examination of records, as facilitated by the Company, for the purpose of issuing this Report.

**For RMG & Associates**
Company Secretaries
Peer Review No. 6403/2025
Firm Registration No. P2001DE016100

**CS Sachin Khurana**
Partner
FCS:10098; C.P. No.:13212

Place: New Delhi
Date: 06-05-2025
UDIN: F010098G000274615

# ANNEXURE VII TO DIRECTORS' REPORT

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members,**
**IIFL SAMASTA FINANCE LIMITED**
110/3, Lalbagh Main Road, Krishnappa Layout,
Bangalore- 560027, Karnataka, India, 560027

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. IIFL SAMASTA FINANCE LIMITED (hereinafter called "the Company") bearing CIN: U65191KA1995PLC057884. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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 thereunder;

(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) 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'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **(Not Applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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. - **(Not Applicable to the Company during the Audit Period)**

(f) Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008.

(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 (Buy-back of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**.

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**.

# ANNEXURE VII TO DIRECTORS' REPORT

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

(l) The management has identified and confirmed the following laws as specifically applicable to the Company;

(m) I also verified the Master Direction – Reserve Bank of India (Non – Banking Financial Company – Scale Based Regulation) Directions, 2023 (Updated as on February 27, 2025) issued by the Reserve Bank of India along with other Notifications, Guidelines, Circulars, Directions.

(n) Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder.

(o) The Listing Agreements entered into by the Company with Bombay Stock Exchanges(s) and National Stock Exchanges w.r.t Debt listing.

(p) The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Regulations as per the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015

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

**I further report that** the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

**I 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.

Further, during the period under review, the following changes took place in the Composition of the Board of Directors of the Company:

1. Mr Nihar Niranjan Jambusaria was appointed as an Additional Director (Independent) on the Board of the Company at the Board meeting held on 24.04.2024
2. Mr. Nihar Niranjan Jambusaria,,Mr. Kalengada Mandanna Nanaiah and Mr. Govinda Rajulu Chintala has been regularized as Independent Directors and Mr. Venkataraman Rajamani was appointed as Non-Executive Director of the Company at the Extra-ordinary General Meeting held on 07.05.2024.
3. Mrs. Uma Shanmukhi Sistla was appointed as an Additional Director (Independent) on the Board of the Company at the Board meeting held on 29.07.2024
4. Mrs. Malini Benjamin Eden ceased to be the Director of the Company with effect from 29.07.2024.
5. Mrs. Uma Shanmukhi Sistla has been regularized as a Non-Executive Independent Director of the Company at the Extra-ordinary General Meeting held on 22.10.2024.

During the period under review, the Company has paid the commission to the Independent Directors. The Board of Directors in their meeting held on June 05,2024, had approved the payment of commission to the Non- Executive Directors for a period of 5 years commencing from April 01, 2024, up to April 01, 2029, subject to the approval of the Shareholders of the Company. Accordingly, the Company has passed a Special resolution in this regard at the 29th Annual General Meeting held on June 29, 2024.

Further, adequate notices have been given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and consent to shorter notice have been taken, wherever required.

All decisions at the Board Meetings and Committee Meetings are carried out with the requisite majority of the Directors of the Company.

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

**I further report that** during the audit period the Company has the following events / actions having a major bearing on the Company's affairs in pursuance of the above-mentioned laws, rules, regulations, guidelines, standards, etc. referred to above.

1. During the period under review, the Company has allotted the following securities on the Private Placement basis:
   i. 4,000 Unsecured, Rated, Taxable, Unsubordinated,

# ANNEXURE VII TO DIRECTORS' REPORT

Transferable, Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") having face Value of INR 1,00,000/- (Rupees One Lakhs Only) each, with total allotment amounting to INR 40,00,00,000/- (Indian Forty Crores only) on 28.06.2024 to Northern Arc Capital Limited.

ii. 6,600 Senior, Secured, Listed, Rated, Transferable and Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") having face Value of INR1,00,000/- (Rupees One Lakhs Only) each, with total allotment amounting to INR 66,60,00,000/- (Indian Sixty Six Crores Sixty Lakh only) on 30.08.2024 to Northern Arc Capital Limited.

iii. 4,000 Senior, Secured, Listed, Rated, Taxable, Subordinated, Transferable, Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") having face Value of INR 1,00,000/- (Rupees One Lakhs Only) each, with total allotment amounting to INR 40,00,00,000/- (Indian Forty Crores only) on 30.09.2024 to Northern Arc Capital Limited.

iv. 7,500 Rated Unsubordinated Secured, Taxable, Transferable, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures") on a Private Placement basis face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each, with total allotment amounting to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores Only) on 31.12.2024 to Northern Arc Capital Limited.

v. 3,000 (Three Thousand Only) 9.70% Senior, Secured, Rated, Listed, Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") on a Private Placement basis face value of INR1,00,000/- (Indian Rupees One Lakh Only) each, with total allotment amounting to INR 30,00,00,000/- (Indian Rupees Thirty Crores Only) on 28.01.2025 to The Kangra Central Co-operative Bank Limited

vi. 7,500 (Seven Thousand and Five Hundred) Senior, Secured, Rated, Listed, Taxable, Principal Protected, Redeemable, Non-Convertible Debentures ("Debentures") having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each, with an aggregating to INR 75,00,00,000/- (Indian Rupees Seventy Five Crores Only) on 05.02.2025 to Vivriti Capital Private Limited.

vii. 4,000 (Four Thousand) Rated Unsubordinated Unsecured Taxable Transferable Redeemable Non-Convertible Debentures ("Debentures") having a face value of INR 1,00,000/- (Indian Rupees One Lakh Only) each, with an aggregating to INR 40,00,00,000/- (Indian Rupees Forty Crores Only) on 28.03.2025 to below mentioned allottees

a. The Kapurthala Central Cooperative Bank Ltd

b. The Hoshiarpur Central Cooperative Bank ltd

2. The Company at its Board Meeting held on 25.03.2025 has passed the requisite Board resolution for the issuance of Non-Convertible Securities on Private placement basis for the Financial year 2025-26 upto an amount not exceeding INR 40,00,00,00,000/- (Rupees Four Thousand Crores only) on such terms and conditions at par, premium or discount, to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, alternative investment funds, pension/provident funds and individuals, as the case may be as the Board of Directors of the Company ("the Board", which term shall include any committee which the Board may constitute to exercise its powers including the powers conferred under this Resolution) may decide in its absolute discretion.

3. The Company has passed an ordinary resolution at the 29th Annual General Meeting held on 29.06.2024 for the below-mentioned items:

a. Approval for existing as well as new material related party transactions with IIFL Finance Limited (including its Subsidiaries and Associates).

b. Approval for existing as well as new material related party transactions with IIFL Home Finance Limited (including its Subsidiaries and Associates).

c. Approval for existing as well as new material related party transactions with IIFL Securities Limited (including its Subsidiaries and Associates).

d. Approval for existing as well as new material related party transactions with 360 One WAM Limited (including its Subsidiaries and Associates).

e. Approval for existing as well as new material related party transactions with 5paisa Capital Limited (including its Subsidiaries and Associates).

I further report that, the Reserve Bank of India ('RBI'), in exercise of powers conferred under clause (b) of sub-section

# ANNEXURE VII TO DIRECTORS' REPORT

(1) of Section 58G read with clause (aa) of sub-section (5) of Section 58B of the of the RBI Act, 1934, had issued an Order / Press Release dated February 28, 2025 and had imposed a monetary penalty of ₹ 33.10 Lakh (Rupees Thirty Three Lakh and Ten Thousand only) for non-compliance with certain provisions of the Non-Banking Financial Company – Systematically Important Non-Deposit Taking Company and Deposit Taking Companies (Reserve Bank) Directions 2016 and Reserve Bank of India (Know Your Customer (KYC) Directions, 2016. Further, RBI had mentioned in the aforesaid that the action is based on the deficiencies in regulatory compliance and is not intended to pronounce upon the validity of any transaction or agreement entered into by the Company with its customers. This was with reference to the Company's financial position as on March 31, 2023.

**Name: Shreyas Dwaraki**
Company Secretary in Practice
Membership Number: F11953; COP: 26529
Peer Review Certificate no. 5997/2024
ICSI UDIN: F011953G000243558

Place: Bengaluru
Date: April 30, 2025

Note: This report is to be read with "Annexure A" which forms an integral part of this report

# Annexure A

To,

**The Members,**
**IIFL SAMASTA FINANCE LIMITED**
110/3, Lalbagh Main Road, Krishnappa Layout,
Bangalore- 560027, Karnataka, India, 560027

My Secretarial Audit Report of report date, for the Financial Year 2024-25 is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliance based on my audit.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. I have followed the audit practices and process 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. I believe that the process and practices I have followed provide a reasonable basis for my opinion.
5. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. I have relied on the Information and documents provided by the Company and the audit is carried out based on the same.

**Disclaimer**

7. 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.
8. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**Name: Shreyas Dwaraki**
Company Secretary in Practice
Membership Number: F11953; COP: 26529
Peer Review Certificate no. 5997/2024
ICSI UDIN: F011953G000243558

Place: Bengaluru
Date: April 30, 2025

# CORPORATE GOVERNANCE REPORT

The Corporate Governance Report for the financial year ended March 31, 2025, has been prepared in compliance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and amendments thereof ("Listing Regulations"). The report sets out the details of Corporate Governance at IIFL Finance Limited (the "Company").

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company adheres to the highest standards of governance, demonstrating a strong commitment to ethical conduct in all its interactions with all its stakeholders. Over the years, the Company has continuously strengthened its corporate governance philosophy, establishing a robust framework that enshrines responsible business practices aimed at creating long-term stakeholder value. This framework is deeply rooted in ethics, professionalism, and a culture of integrity, ensuring that the Company's business operations reflect the highest levels of responsibility and accountability.

Your Company's governance principles are guided by three core values: fairness, transparency, and accountability. These principles serve as the foundation of the Company's corporate conduct and drive the Company's commitment to adhering to best practices in corporate governance.

### Fairness

Your Company prioritizes fairness and integrity in all its business dealings, both within the organization and with external stakeholders. By consistently applying these principles, it ensures that the transactions are conducted in an equitable and just manner.

### Transparency

Your Company believes transparency is vital for fostering sustainable growth and establishing trust among its stakeholders. It is integral to the way the Company operates, as it enables effective checks and balances and promotes an open flow of information. Beyond meeting statutory requirements, the Company strives to uphold the highest standards of transparency through prompt and accurate disclosures.

### Accountability

Accountability is central to our approach. The Company holds itself fully responsible for upholding its values and fulfilling its commitments. This is reflected in the culture of ownership that the Company fosters within the organization, ensuring that each team member contributes to the Company's success. Through openness and transparency, the Company remains accountable to all its stakeholders, including employees, shareholders, vendors, business partners, government agencies, and society at large.

Your Company is deeply committed to ensuring that ethical business practices and strong corporate governance are at the heart of everything it does. This commitment is instrumental in the Company's goal of becoming the most respected and trusted financial services company in India. From the very beginning, the Company's Promoters have set high standards for governance and integrity, leading by example and reinforcing our corporate values.

Your Company consistently complies with all regulatory requirements, including the provisions of the Companies Act, 2013, (the "Act") the Listing Regulations, and the Corporate Governance and Disclosure norms for Non-Banking Financial Companies issued by the Reserve Bank of India (RBI). The Company's adherence to the Master Direction – RBI (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, (RBI SBR Direction) that it maintains the highest levels of corporate governance.

Your Company's commitment to governance is further demonstrated through policies such as the Employee Code of Conduct, Whistleblower Policy, and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. These measures, along with the internal guidelines on trading by insiders, reinforces the dedication to transparency, fairness, and accountability in all aspects of our business operations.

The Board of Directors (the "Board") has ultimate responsibility for the development of strategy, material acquisitions and divestments, material capital expenditure, the Company's capital structure and other financial matters, oversight policies, procedures and internal controls, and setting and monitoring the Group's culture and promoting ethical behaviour. The Board discharges some of its responsibilities directly and others through its committees, like the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee and IT Strategy Committee. A summary of the meetings of each Committee is provided in this report.

The Board is composed of Independent Directors who are renowned for their exemplary professional integrity, alongside their extensive expertise in finance, banking

# CORPORATE GOVERNANCE REPORT

and various other industries. Serving as the cornerstone of the Company's governance structure, the Board acts as a guardian of trust, with employees forming the foundation and the broader interests of our stakeholders at its core. The Board is unwavering in its commitment upholding the highest standards of governance, ensuring strict compliance with all applicable laws and regulations in both letter and spirit.

Your Company's Corporate Governance framework is built upon the foundation of a strong, independent Board, ensuring a clear distinction between the Board's oversight responsibilities and the day-to-day operations managed by the Senior Management team. This separation, alongside the constitution and effective functioning of Board Committees as mandated by law, strengthens the governance model, enabling the Company to consistently safeguard the best interests of its stakeholders.

Key pillars of Company's Corporate Governance philosophy:

- Effective and clear governance structure with a diverse Board, its Committees and Senior Management
- Fairness, Integrity and Transparency
- Clear demarcated roles of Chairperson and Managing Director
- Separate Board-level Environment, Social and Governance Committee to sharpen focus on Environment, Social and Governance (ESG) matters
- Public disclosure of Sustainability Report
- A blend of Independent and Non-Executive Directors in Audit and Nomination and Remuneration Committee
- Executive compensation is subject to Malus/ Clawback arrangements
- Separate charter and strategy to promote diversity and inclusion across our workforce.
- Annual Investor and Analyst Day
- Compliance with all relevant laws in both form and substance
- Complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in guiding strategies
- Board governance through specialized sub-committees in the areas of Audit, Risk Management, IT Strategy, Nomination and Remuneration, Environment, Social and Governance, Corporate Social Responsibility, Stakeholders Relationship, etc
- Well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization
- Transparent procedures, practices and decisions based on adequate information
- Accurate, uniform and timely dissemination of disclosures of corporate, financial and operational information to all stakeholders
- Oversight of the Company's business strategy, major developments and key activities
- Communicate externally, in a truthful manner, about how the Company runs internally

## CORPORATE GOVERNANCE FRAMEWORK

### BOARD OF DIRECTORS

Ensures that long-term interests of stakeholders are being served.

Provides strategic direction, evaluates overall performance and maintains oversight.

| Audit Committee | Nomination and Remuneration Committee ("NRC") | Stakeholders' Relationship Committee ("SRC") | Corporate Social Responsibility Committee ("CSR") | Risk Management Committee ("RMC") | Asset Liability Management Committee ("ALCO") | Environment, Social and Governance Committee ("ESG") | IT Strategy Committee ("ITSC") | Customer Service Committee | Information Security Committee | IT Steering Committee | Review Committee (Wilful Defaulters) | Special Committee of the Board for Monitoring & Follow-up of Cases of Fraud (SCBMF) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|

### CORE MANAGEMENT TEAM

Ensures effective implementation of decisions taken by the Board across all functions and teams.

Provides progress updates to Board and Board Committees regularly.

# CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS

### (a) Board Composition

Your Company recognises and values the crucial role of a diverse Board in driving its success. The Company believes that a diverse Board will capitalize on a wide range of perspectives, including regional and industry experience, cultural and geographical backgrounds, as well as diversity in age, ethnicity, race, and gender. Additionally, the Board will benefit from a variety of expertise across areas such as finance, global business, leadership, information technology, governance, sales and marketing, Environmental, Social, and Governance (ESG), risk management, cybersecurity, and more.

Board is the apex body constituted by its members, for overseeing the Company's overall functioning. It provides strategic direction, leadership and guidance to the Company's management and also monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders.

**Board Composition as on March 31, 2025**

| 44.44% Independent Directors | 33.33% Non-Executive Non-Independent Directors | 22.23% Executive Directors |
|---|---|---|

The Board of the Company has an optimum combination of Executive Directors, Non-Executive Non-Independent Directors and Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read together with Sections 149 and 152 of the Act and rules framed thereunder.

As on March 31, 2025, the Board of the Company consisted of nine (9) Directors. The Chairperson of the Board is a Non-Executive Non-Independent Director and more than half of the Board comprises of Non-Executive Directors. Further, there is also representation of a Women Independent Director. None of the Directors of the Company are related to each other. The composition of the Board as on March 31, 2025 is as follows:

| Category | Name of the Director(s) |
|---|---|
| Chairperson & Non-Executive Director | Mr. Arun Kumar Purwar[1] |
| Executive Director - Managing Director & Promoter | Mr. Nirmal Jain |
| Executive Director- Joint Managing Director & Promoter | Mr. R Venkataraman |
| Independent Directors | Mr. Ramakrishnan Subramanian |
| | Mr. Bijou Kurien[2] |
| | Mr. Nihar Niranjan Jambusaria[2] |
| | Ms. Nirma Anil Bhandari[3] |
| Non-Executive Director | Mr. Gopalakrishnan Soundarajan[4] |
| Non- Executive Nominee Director | Mr. Tritala Subramanian Ramakrishnan |

[1] Mr. Arun Kumar Purwar was appointed as the Chairperson and Additional Non-Executive Director w.e.f. April 1, 2024 and his appointment was regularized by the Members through Postal Ballot w.e.f. June 10, 2024.

[2] Mr. Bijou Kurien and Mr. Nihar Niranjan Jambusaria were appointed as Additional Independent Directors w.e.f. March 13, 2024 and their appointments were regularized by the Members through Postal Ballot w.e.f. June 10, 2024.

[3] Ms. Nirma Anil Bhandari was appointed as Additional Independent Director w.e.f. September 16, 2024 and her appointment was regularized by the Members through Postal Ballot w.e.f. December 10, 2024.

[4] Mr. Gopalakrishnan Soundarajan was appointed as Additional Non-Executive Director w.e.f. May 11, 2024 and his appointment was regularized by the Members through Postal Ballot w.e.f. June 10, 2024.

The brief profile of the present Directors on the Board of the Company is available on the website of the Company https://www.iifl.com/finance/corporate-governance.

# CORPORATE GOVERNANCE REPORT

**(b) Matrix chart of core skills/expertise/competencies of the Board:**

The Board has adopted a policy on Board Diversity. The Board represents a confluence of diverse backgrounds with skills, experience and expertise. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board reflects the diverse nature of the business environment in which the Company operates. The Board reviews its composition, skills and diversity from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, a matrix chart setting out the core skills/expertise/competence of the Board is as follows:

| Skills/Expertise/Competence | Mr. Arun Kumar Purwar | Mr. Nirmal Jain | Mr. R Venkataraman | Mr. Ramakrishnan Subramanian | Mr. Bijou Kurien | Mr. Nihar Niranjan Jambusaria | Ms. Nirma Anil Bhandari | Mr. Gopalakrishnan Soundarajan | Mr. Tritala Subramanian Ramakrishnan |
|---|---|---|---|---|---|---|---|---|---|
| Knowledge of sector | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Accounting and Finance | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Corporate Governance & Compliances | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Marketing experience | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Strategy development and implementation | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Information Technology | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Stakeholders' relationship | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Risk Management system | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Senior Management Experience/Leadership | √ | √ | √ | √ | √ | √ | √ | √ | √ |

**(c) Board Meetings and Directorships/Committee Membership(s) of Directors:**

There were eleven (11) scheduled Board meetings in the financial year 2024-25. The Meetings were held on the following dates:

| | | | | |
|---|---|---|---|---|
| April 17, 2024 | May 22, 2024 | June 15, 2024 | July 9, 2024 | August 6, 2024 |
| August 23, 2024 | August 30, 2024 | October 23, 2024 | October 31, 2024 | February 12, 2025 |
| March 27, 2025 | | | | |

In terms of the provisions of Regulation 26(1) of the Listing Regulations, no Director on the Board of the Company is a Member of more than ten (10) specified Committees and Chairperson in more than five (5) specified Committees of the Company in which they are Directors, across all the Public Limited Companies, except Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Act.

In compliance with Section 165(1) of the Act, none of the Directors hold directorship in more than 20 Companies with not more than 10 Public Limited Companies. In terms of the provisions of Regulation 17A of the Listing Regulations, none of the Independent Directors serve as an Independent Director in more than seven (7) equity listed entities. None of the Whole Time Director/Managing Director serve as an Independent Director in more than three (3) equity listed

# CORPORATE GOVERNANCE REPORT

entities. Further, none of the Independent Directors serve as a Non-Independent Director of any Company on the Board of which any Non-Independent Director is an Independent Director.

The Policy on Determining Fit and Proper Person for appointment as Director is in place for ascertaining the fit and proper criteria of the Directors at the time of appointment and on a continuing basis by the Nomination and Remuneration Committee to ensure 'fit and proper' status of proposed/ existing Directors. The policy on the fit and proper criteria is in line with RBI SBR Direction as amended from time to time.

The Company has received necessary disclosures from all the Directors regarding Committee positions held by them in other Companies. The below mentioned table gives the details of the names of the members of the Board, their category, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), their Directorship, Committee Membership and Chairpersonship in Companies as on March 31, 2025:

| Name of the Director and DIN | Date of Appointment | Category | Number of Board Meetings entitled to attend during their tenure | Number of Board Meetings attended | Attendance at last AGM | Directorship in Companies (including this Company)* | Membership of Committees (including this Company)** | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Member | Chairperson |
| Mr. Arun Kumar Purwar (DIN: 00026383) | April 1, 2024 | Chairperson & Non-Executive Director | 11 | 11 | Yes | 9 | 3 | 1 |
| Mr. Nirmal Jain (DIN: 00010535) | October 18, 1995 | Executive Director - Managing Director & Promoter | 11 | 11 | Yes | 4 | - | - |
| Mr. R Venkataraman (DIN: 00011919) | July 5, 1999 | Executive Director - Joint Managing Director & Promoter | 11 | 8 | Yes | 5 | 3 | - |
| Mr. Ramakrishnan Subramanian (DIN: 02192747) | September 6, 2021 | Independent Director | 11 | 11 | Yes | 4 | 2 | - |
| Mr. Bijou Kurien (DIN: 01802995) | March 13, 2024 | Independent Director | 11 | 10 | Yes | 15 | 5 | 3 |
| Mr. Nihar Niranjan Jambusaria (DIN: 01808733) | March 13, 2024 | Independent Director | 11 | 11 | Yes | 6 | 6 | 3 |
| Ms. Nirma Anil Bhandari (DIN: 02212973) | September 16, 2024 | Independent Director | 4 | 4 | Yes | 6 | 3 | - |
| Mr. Gopalakrishnan Soundarajan (DIN: 05242795) | May 11, 2024 | Non-Executive Director | 10 | 9 | Yes | 8 | 3 | - |
| Mr. Tritala Subramanian Ramakrishnan (DIN: 09515616) | October 26, 2023 | Non-Executive Nominee Director | 11 | 11 | Yes | 1 | - | - |
| Mr. Chandran Ratnaswami[1] (DIN: 00109215) | May 15, 2012 | Non-Executive Director | 1 | 0 | No | - | - | - |
| Mr. Vijay Kumar Chopra[2] (DIN: 02103940) | May 21, 2019 | Independent Director | 1 | 1 | No | - | - | - |
| Ms. Geeta Mathur[3] (DIN: 02139552) | September 18, 2014 | Independent Director | 7 | 6 | No | - | - | - |

* Excludes directorship in section 8 companies.

**The Committees considered above are those prescribed under Regulation 26 of the Listing Regulations viz. Audit Committee and Stakeholders' Relationship Committee.

[1]Mr. Chandran Ratnaswami ceased to be Director of the Company w.e.f. May 10, 2024.

[2]Mr. Vijay Kumar Chopra ceased to be Director of the Company w.e.f. May 20, 2024.

[3]Ms. Geeta Mathur ceased to be Director of the Company w.e.f. September 17, 2024.

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**d) Details of changes in composition of Board during FY 2024-25:**

Details of change in composition of the Board during the financial year 2024-25 are as follows:

| Sr No. | Name of the Director | Category of Directorship | Nature of change | Effective date |
|---|---|---|---|---|
| 1 | Mr. Arun Kumar Purwar | Chairperson & Non-Executive Director | Appointment | April 1, 2024 |
| 2 | Mr. Chandran Ratnaswami | Non-Executive Director | Cessation | May 10, 2024 |
| 3 | Mr. Gopalakrishnan Soundarajan | Non-Executive Director | Appointment | May 11, 2024 |
| 4 | Mr. Vijay Kumar Chopra | Independent Director | Cessation | May 20, 2024 |
| 5 | Ms. Nirma Anil Bhandari | Independent Director | Appointment | September 16, 2024 |
| 6 | Ms. Geeta Mathur | Independent Director | Cessation | September 17, 2024 |

The below table provides details of the name of the Directors, the names of the other equity listed entities where they are Directors as on March 31, 2025:

| Name of the Director | Name of the Equity Listed Entity | Category of Directorship |
|---|---|---|
| Mr. Arun Kumar Purwar | Alkem Laboratories Limited | Independent Director |
| | Balaji Telefilms Limited | Independent Director |
| Mr. Nirmal Jain | Nil | Nil |
| Mr. R Venkataraman | IIFL Capital Services Limited (Formerly known as IIFL Securities Limited) | Managing Director |
| Mr. Ramakrishnan Subramanian | Nil | Nil |
| Mr. Bijou Kurien | Renaissance Global Limited | Independent Director |
| | LTIMindtree Limited | Independent Director |
| Mr. Nihar Niranjan Jambusaria | Nil | Nil |
| Ms. Nirma Anil Bhandari | Navneet Education Limited | Independent Director |
| Mr. Gopalakrishnan Soundarajan | Thomas Cook (India) Limited | Non- Executive Director |
| | Go Digit General Insurance Limited | Non- Executive Director |
| | Quess Corp Limited | Non- Executive Director |
| Mr. Tritala Subramanian Ramakrishnan | Nil | Nil |

**The matters generally placed before the Board, inter-alia, includes:**

**Finance Matters**

- Quarterly/Annual consolidated and standalone results and financial statements of the Company;
- Recommendation of Dividend;
- Quarterly details of foreign exchange exposures and hedging;
- Quarterly details on Loans/Inter- Corporate Deposits given, Investments made, Guarantees given or securities provided;
- Half-yearly details of Internal Financial Controls.

**Statutory and Governance Matters**

- Materially important show cause, demand, prosecution notices and penalty notices, if any;
- Any issue which involves possible public or product liability claims of substantial nature;
- Corporate Social Responsibility related matters;
- Appointment and remuneration to Directors, Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP");
- Quarterly compliance certificate with exceptions, if any, of regulatory or statutory compliances;
- Overseeing risk management framework of the Company;
- Appointment of Joint Statutory Auditors;
- Minutes of meetings of the Board and its Committees along with the minutes of its subsidiaries and resolutions passed by circulation;

- Approval of policies as statutorily required and recommended by the Board Committees;
- Approval for re-constitution of Committees of Board and amendment to the terms of reference;
- Significant transactions or arrangements by subsidiary companies;
- Statutory disclosures received from the Directors and Senior Management;
- Performance evaluation of the Board, its Committees and each Director;
- Quarterly review of related party transactions and other related matters;
- Quarterly review of Complaints, if any, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Quarterly details on frauds monitoring system;
- Noting of various returns/reports filed with the Regulatory Authorities/Stock Exchanges;
- Annual review of the Internal Audit Report/Action Taken Report provided by the Registrar and Share Transfer Agent.

**Strategic Matters**

- Reviewing and guiding the corporate strategy;
- Details of any acquisition or collaboration agreement;
- Sale of investment, subsidiaries or assets which are material in nature.
- Business Partnerships
- New Products and Policies

**Operational Matters**

- Business performance along with performance of subsidiaries;
- Annual operating plans and capital budgets;
- Regular business/function updates;
- Noting of RBI Inspection Report under Section 45N of the RBI Act, 1934;
- Change in signatories for various operational matters;
- Noting of quarterly report on customer grievance redressal;
- Quarterly update on Material Legal cases;
- Annual review/adoption/modification of Company Policies.

**(e) Board Performance Evaluation:**

In compliance with the provisions of the Act, the Listing Regulations, guidance note issued by SEBI on Board Evaluation and global best practices, the Company has a structured framework – process and questionnaires for the performance evaluation of the Board as a whole, its Committees and individual Directors including the Chairperson, Managing Director and Joint Managing Director, keeping in view the Board priorities and best practices. This performance evaluation is carried out annually on the basis of a structured questionnaire on performance criteria. During the year, the Directors participated in the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairperson, Managing Director and Joint Managing Director. The results of evaluation were discussed at the Independent Directors' meeting held on March 21, 2025, and the Board expressed its satisfaction with the evaluation process. The observations made during the evaluation process were noted and based on the outcome of the evaluation and feedback of the Directors, the Board and the Management agreed on various action points to be implemented in subsequent meetings.

**The criteria for performance evaluation are as under:**

**For Chairperson:**

The criteria for evaluation of Chairperson, inter alia, includes his leadership, his ability to conduct meetings, ability to elicit inputs from all the members, ability to table and openly discuss challenging matters, attendance at meetings, assistance to Board in formulating policies and setting standards, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, impartiality in conducting discussions, sufficiently committed to the Board, ability to keep shareholders' interest in mind during discussions and decisions.

**For Executive Directors:**

The criteria for evaluation of Executive Directors, inter alia, includes their ability to elicit inputs from all members, ability to table and openly discuss challenging matters, attendance and participation at meetings, integrate quality and re-engineering, capitalize on opportunities created by economic and technological changes, provide assistance to the Board in formulating policies and setting standards and following them, accessibility, ability to analyze strategic situations, ability to project positive image of the Company, compliance with regulatory requirements, handling critical situations concerning the Company.

**For Non-Executive Directors (including Independent Directors):**

The criteria for evaluation of Non-Executive Directors, inter alia, includes attendance at the meetings, study of agenda, active and constructive participation and contribution in discussions on strategy, in Committees of the Board, exercise of skills and diligence with due and reasonable care to bring independent judgment to the

# CORPORATE GOVERNANCE REPORT

Board, ability to bring in best practices from experience and adherence to the Code of Conduct.

**For Board as a whole:**

The criteria for evaluation of the Board, inter alia, includes composition and diversity, induction program, teamwork, performance culture, risk management and financial controls, integrity, credibility, trustworthiness, active and effective participation by members of the Board, proper mix of competencies and enough experience to conduct affairs effectively.

**Committees of the Board:**

The criteria for evaluation of the Committees of the Board, inter alia, includes effectiveness in fulfilling functions assigned by the Board, appropriateness of structure of various Committees, level of frequency and adequacy of meetings, meaningful and comprehensive discussion and effectiveness of the recommendations of Committees and contribution thereof to the decisions of the Board.

### (f) Meeting of the Independent Directors:

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out its own annual performance evaluation, the Directors individually including Independent Directors based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the NRC.

In compliance with the provisions of section 149(8) read with schedule IV of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of Independent Directors of the Company was held on March 21, 2025, inter alia, to discuss and review:

- the performance of Non- Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company;
- quality, quantity and timeliness of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their overall satisfaction over the performance of the other Directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and timeliness of flow of information between the Company's management and the Board/ Committees of the Board from time to time and performance of Chairperson of the Company.

### (g) Familiarization program for Independent Directors:

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a Familiarization Program for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, its business model, etc. The same may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-06/Familiarization_Programme_of_ID_2025.pdf

Further, there are detailed discussions and presentations on the review of operations of the Company and the regulatory updates impacting the business which helps the Directors familiarize themselves with the Company, its business, and the regulatory framework in which the Company operates.

### (h) Meetings of the Board/Committee:

**Frequency:** The Board meets at least once a quarter to review the quarterly financial results and other agenda items. A minimum of four meetings of the Board are held in a calendar year with a maximum gap of 120 days between two consecutive meetings.

The Audit Committee meets at least four times a year with a maximum gap of 120 days between two consecutive meetings, the NRC meets at least once a year, the SRC meets at least once a year and the RMC meets at least twice a year. In case of business exigencies or matter of urgency, resolutions are passed by circulation, as permitted by law, which are noted at the subsequent Board/Committee Meeting.

**Board/Committee Meeting Location:** The location of the Board/Committee Meetings is informed well in advance to all the Directors. Each Director is expected to attend the Board/Committee Meetings. In accordance with the statutory provisions, exemptions and relaxations provided by Ministry of Corporate Affairs, the Board and Committee meetings are held in physical mode and through video conferencing.

**Notice and Agenda distributed in advance**: The Board/ Committee Members are presented with detailed notes along with the agenda papers which are circulated well in advance of the Meeting. The Company has implemented an app-based e-meeting system accessible through secured iPads provided to the Directors. The agenda, presentation, notes, and minutes are made available to the Board and Committee Members well in advance of the meetings to enable informed discussions and effective decision-making. All material information is

incorporated in the Agenda for facilitating meaningful and focused discussions at the Meeting. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

**Presentations by Management:** Presentations are made in the Board/ Committees, wherever practicable, covering finance, sales, marketing, major business segments and operations of the Company, business opportunities, business strategy, risk management practices and operating performance of the Company while taking on record the financial results of the Company.

**Access to officers and employees:** The Directors are provided free access to officers and employees of the Company. Whenever any need arises, the Board/ Committee Members are at liberty to summon the personnel whose presence and expertise would help the Board/Committee to have a full understanding of the issues being considered.

**(i) Information Supplied to the Board/Committees:**

Among others, information supplied to the Board/ Committees in terms of Part A of Schedule II of the Listing Regulations includes:

- Annual Budget and updates thereof;
- Quarterly, half yearly and annual results of the Company as per the format prescribed in the Listing Regulations;
- Minutes of the Meetings of the Board and all other Committees of the Board;
- The information on recruitment and remuneration of senior management below the Board level, including the appointment or removal, if any, of Chief Financial Officer and Company Secretary & Compliance Officer;
- Status of important/material litigations;
- Show cause, demand, prosecution and penalty notices, if any, which are materially important;
- Any material default in financial obligations to and by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards royalty, goodwill, brand equity or intellectual property;
- Any significant development in Human Resources/ Industrial Relations front, as and when it occurs;
- Sale of investments, subsidiaries, assets which are material in nature and not in the normal course of business;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as non-payment of dividends, delay in share transfer, if any, and other steps taken by the Company to rectify instances of non-compliances, if any.

**(j) Minutes of the Meetings:**

The draft minutes of the proceedings of the Board/ Committee Meetings are circulated to the members of the Board/Committees. Comments and suggestions, if any, received from the Board/ Committee members are incorporated in the minutes, in consultation with the Chairperson of the Board/Committee. The minutes are confirmed by the Directors/members and signed by the Chairperson of such meeting at any time before the next meeting is held or by the Chairperson of the next Board/ Committee Meeting.

**(k) Post meeting follow-up mechanism:**

The Company has an effective post meeting follow-up review and reporting process for the decisions taken/ suggestions provided by the Board and Committee(s) thereof. The important decisions taken/suggestions provided at the Board/Committee Meetings, which call for actions to be taken, are promptly initiated and wherever required, communicated to the concerned departments/divisions for their further action. The Action Taken Report is placed at the quarterly meeting of the Board/Committee for information and review by the Board/Committee.

**(l) Confirmation of Independence:**

The maximum tenure of the Independent Directors is in compliance with the Act and Listing Regulations. All the Independent Directors have confirmed that they meet the criteria of independence as stipulated under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and have submitted the declaration under Section 149(7) of the Act. Based on the disclosures received from the Independent Directors, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified under the Act and Listing Regulations and are independent of the management and are also in compliance with the limit on Independent Directorship of listed companies as prescribed under Regulation 17A of the Listing Regulations.

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## 3. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas / activities which concern the Company and need a closer review. They are set up under the formal approval of the Board to carry out their clearly defined roles. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions.

Keeping in view the requirements of the Act as well as the Listing Regulations, the Board has approved the terms of reference of the various committees which set forth the purposes, goals and responsibilities of the Committees. All observations, recommendations and decisions of the Committees are placed before the Board for it's information and / or for approval.

The composition of the Committees along with their terms of reference as on March 31, 2025, are as under:

### a) Audit Committee:

The Audit Committee is constituted in accordance with the Act, Listing Regulations and RBI SBR Direction. It comprises of four (4) members, out of which three (3) members are Independent Directors and one (1) is Non-Executive Non-Independent Director, as on March 31, 2025, as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. Nihar Niranjan Jambusaria | Independent Director | Chairperson |
| Mr. Arun Kumar Purwar | Non-Executive Director | Member |
| Mr. Ramakrishnan Subramanian | Independent Director | Member |
| Ms. Nirma Anil Bhandari | Independent Director | Member |

All the Members of the Audit Committee are financially literate and possess thorough knowledge of the financial service industry.

During the year under review, the Committee was re-constituted effective April 1, 2024, and October 23, 2024, by the Board. The composition of the Audit Committee is in conformity with the applicable provisions of the Act and Listing Regulations.

The scope of the Audit Committee includes the references made under Regulation 18 read with Part C of Schedule II of the Listing Regulations as well as Section 177 and other applicable provisions of the Act and RBI SBR Direction. The broad terms of reference of the Audit Committee are:

(i) 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;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;

b) Changes, if any, in accounting policies and practices with reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by the management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any Related Party Transactions;

g) Modified opinion(s) in the draft audit report.

(v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

(vi) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(vii) Review and monitor the auditor's independence and

performance, and effectiveness of the audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up thereon;

(xv) 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 or a material nature and reporting the matter to the board;

(xvi) 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;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the Whistle Blower Mechanism;

(xix) 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;

(xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(xxi) Reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiaries exceeding 100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances/investments;

(xxii) Reviewing the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Management letters/letters of internal control weaknesses issued by the statutory auditors;

c) Internal audit reports relating to internal control weaknesses;

d) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

e) Statement of deviations:

i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).

ii. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

(xxiii) Consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(xxiv) Responsibility under Risk Based Internal Audit pursuant to RBI Circular dated February 03, 2021:

a) Primarily responsible for overseeing the IA function

b) Approve RBIA Policy defining purpose, authority & responsibility with demarcating roles & responsibilities for IA & Risk Management function

c) Approve RBIA plan ensuring coverage of all risks with defined timelines

d) Review of audit function at least annually

e) Promote use of new audit technologies / tools

f) Periodic review of the RBIA policy

g) Developing an effective audit function for providing quality assurance on the internal control mechanism

h) Understanding the risk assessment methodology and approving the audit plan

i) Ensuring the adequate audit coverage to monitor compliance with policies and procedures

j) Approving the audit charter

k) Receiving the audit reports and deliberating

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on action plans to enhance the internal control environment

l) Discussing status of (key) open issues from the previous audits and remediation action steps taken by the management

m) Assessing the performance of IAF. The AC should also periodically assess the performance of risk-based internal audits for their reliability, accuracy and objectivity

n) Review the findings identified in the RBI Inspection report and other regulatory inspections (SEBI/ Audit/Exchange Audit) and follow up on corrective actions

o) Review the key findings in the monthly Concurrent Audit Reports

p) Review the key audit findings with the entity Audit Committees; analyze potential impact and remediation plans

q) To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function

**During the year under review, the Audit Committee of the Company met nine (9) times, as below:**

| | | |
|---|---|---|
| June 15, 2024 | June 26, 2024 | July 9, 2024 |
| August 6, 2024 | October 23, 2024 | November 27, 2024 |
| January 15, 2025 | February 12, 2025 | February 14, 2025 |

The requisite quorum was present at all the meetings. The gap between two consecutive Audit Committee meetings was not more than 120 days.

The constitution of the Audit Committee and details of attendance of each member of the Committee at the aforesaid meeting(s) of the Committee are as follows:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. Nihar Niranjan Jambusaria | April 1, 2024 | Chairperson | Independent Director | 9 | 8 |
| Mr. Arun Kumar Purwar | April 1, 2024 | Member | Non-Executive Director | 9 | 9 |
| Mr. Ramakrishnan Subramanian | April 28, 2022 | Member | Independent Director | 9 | 9 |
| Ms. Nirma Anil Bhandari | October 23, 2024 | Member | Independent Director | 4 | 4 |
| Ms. Geeta Mathur* | May 5, 2016 | Member | Independent Director | 4 | 3 |

*Ms. Geeta Mathur ceased to be Director w.e.f. September 17, 2024.

Audit Committee meetings are attended by the Chief Financial Officer of the Company and representatives of Statutory Auditors and Internal Auditors, if required. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairperson of the Audit Committee was present at the last AGM of the Company held on September 30, 2024.

During the year under review, the Audit Committee reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and are in accordance with the prevailing Laws and Regulations. In conducting such reviews, the Committee found no material discrepancy or weakness in the Internal Control system of the Company.

The Company has an Internal Audit Department co-sourced with professional firms of Chartered Accountants. The Internal Auditor reports directly to the Audit Committee of the Board.

During the year under review, the Committee met and discussed various matters including financials, internal and statutory audit report. The Board of the Company accepted all the recommendations of the Audit Committee.

**b) Nomination and Remuneration Committee (NRC):**

The NRC is constituted in accordance with the Act, Listing Regulations and RBI SBR Direction. It comprises of three (3) Members out of which two (2) are Independent Directors and one (1) is Non-Executive Non-Independent Director as on March 31, 2025, as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. Nihar Niranjan Jambusaria | Independent Director | Chairperson |
| Mr. Bijou Kurien | Independent Director | Member |
| Mr. Arun Kumar Purwar | Non-Executive Director | Member |

During the year under review, the Committee was re-constituted effective April 1, 2024, and May 21, 2024, by the Board. The composition of the NRC is in conformity with the applicable provisions of the Act, Listing Regulations and RBI SBR Direction.

The scope of the NRC includes the references made under Regulation 19 read with Part D of Schedule II of the Listing Regulations as well as Section 178 and other applicable provisions of the Act besides other terms that may be referred by the Board and RBI SBR Direction. The broad terms of reference of NRC are:

i. Succession planning of the Board and Senior Management Employees;

ii. Identifying and selection of candidates for appointment as Directors/Independent Directors based on certain laid down criteria;

iii. Identifying potential individuals for appointment as Key Managerial Personnel and other Senior Management positions;

iv. Formulate, review and implement from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration;

v. Review the performance of the Board and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, it also ensures that the relationship of remuneration to performance is clear, that the performance meets the appropriate performance benchmarks and the remuneration involves a balance between fixed and incentive pay, reflecting the short- term and long- term objectives of the Company;

vi. Devising a policy on diversity of Board of Directors;

vii. Administer, monitor and formulate detailed terms and conditions of the employees' stock option scheme;

viii. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;

ix. Ensure 'fit and proper' status of proposed/ existing directors as per RBI guidelines and that there is no conflict of interest in appointment of Directors on Board of the Company, KMP's and Senior Management;

x. 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, at the time of every appointment of Independent Director. For the purpose of identifying suitable candidates;

   a. may use the services of an external agencies, if required;

   b. may consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c. may consider the time commitments of the candidates.

xi. Ensure that the compensation levels of Key Managerial Personnel and Senior Management 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.

During the year under review, NRC met three (3) times, as below:

| | | |
|---|---|---|
| June 15, 2024 | August 23, 2024 | February 12, 2025 |

The requisite quorum was present at the meetings.

# CORPORATE GOVERNANCE REPORT

The constitution of the NRC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of the Committee are as follows:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. Nihar Niranjan Jambusaria | May 21, 2024 | Chairperson | Independent Director | 3 | 3 |
| Mr. Bijou Kurien | April 1, 2024 | Member | Independent Director | 3 | 3 |
| Mr. Arun Kumar Purwar | April 1, 2024 | Member | Non-Executive Director | 3 | 3 |
| Mr. Vijay Kumar Chopra* | May 21, 2019 | Chairperson | Independent Director | 0 | 0 |

*Mr. Vijay Kumar Chopra ceased to be a member of the Committee with effect from May 20, 2024.

During the year under review, the NRC also approved matters relating to allotment of stock option(s), through circular resolutions. The Company Secretary acts as the Secretary to the NRC.

The Chairperson of the NRC was present at the last AGM of the Company held on September 30, 2024.

The Board has approved the Nomination and Remuneration Policy of the Company, which sets out the guiding principles for the appointment & remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The same may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2024-04/Nomination_and_Remuneration_Policy_26042024.pdf.

**a) Details of remuneration paid to Directors during FY 2024-25 and details of shares and convertible instruments held by Directors as on March 31, 2025 are as follows:**

| Name of the Director | Category of Director | Salary and perquisites (in ₹) | Commission (in ₹) | | Sitting Fees (in ₹) | Contribution to PF and other funds, Gratuity (in ₹) | Stock options | No. of Equity Shares held in the Company** |
|---|---|---|---|---|---|---|---|---|
| | | | 2023-24 | 2024-25 | | | | |
| Mr. Arun Kumar Purwar$ | Chairperson & Non-Executive Director | - | 20,00,000 | 15,00,000 | 23,60,000 | - | - | 1,06,390 |
| Mr. Nirmal Jain | Managing Director | 12,25,92,767 | - | - | - | - | - | 5,34,40,570 |
| Mr. R Venkataraman | Joint Managing Director | - | - | - | - | - | - | 1,23,01,441 |
| Mr. Ramakrishnan Subramanian | Independent Director | - | 8,00,000 | 7,50,000 | 24,60,000 | - | - | - |
| Mr. Bijou Kurien | Independent Director | - | - | 15,00,000 | 14,90,000 | - | - | - |
| Mr. Nihar Niranjan Jambusaria | Independent Director | - | - | 15,00,000 | 24,80,000 | - | - | - |
| Ms. Nirma Anil Bhandari@ | Independent Director | - | - | 7,50,000 | 10,50,000 | - | - | - |
| Mr. Gopalakrishnan Soundarajan@ | Non-Executive Director | - | - | - | - | - | - | - |
| Mr. Tritala Subramanian Ramakrishnan | Non- Executive Nominee Director | - | - | - | 11,00,000 | - | - | - |

# CORPORATE GOVERNANCE REPORT

| Name of the Director | Category of Director | Salary and perquisites (in ₹) | Commission (in ₹) | | Sitting Fees (in ₹) | Contribution to PF and other funds, Gratuity (in ₹) | Stock options | No. of Equity Shares held in the Company** |
|---|---|---|---|---|---|---|---|---|
| | | | 2023-24 | 2024-25 | | | | |
| Mr. Nilesh Shivji Vikamsey* | Independent Director | - | 20,00,000 | - | - | - | - | N.A. |
| Mr. Vijay Kumar Chopra* | Independent Director | - | 18,00,000 | - | 1,60,000 | - | - | N.A. |
| Ms. Geeta Mathur* | Independent Director | - | 18,00,000 | - | 9,90,000 | - | - | N.A. |

* Mr. Nilesh Shivji Vikamsey, Mr. Vijay Kumar Chopra and Ms. Geeta Mathur ceased to be Director of the Company w.e.f. March 31, 2024, May 20, 2024 and September 17, 2024, respectively.

# Mr. Gopalakrishnan Soundarajan and Ms. Nirma Anil Bhandari were appointed as Non-Executive Director and Independent Director on May 11, 2024, and September 16, 2024, respectively.

$ Mr. Arun Kumar Purwar was appointed as the Chairperson and Non-Executive Director of the Company with effect from April 1, 2024.

** The Directors of the Company does not hold any Convertible Securities of the Company.

The term of office of the Managing Director and Joint Managing Director is for five (5) years from the date of their respective appointments. This employment shall be deemed to be terminated on the occurrence of death, expiration of tenure, permanent disability or resignation, the notice period of which is as per the Company's policy.

In the event of termination for any reasons specified above, except expiration of tenure and resignation, the nominee of the Managing Director shall be entitled to receive a lump sum severance payment, a sum equal to five (5) times of the annual salary.

R Venkatraman, Joint Managing Director of the Company, was appointed as the Managing Director of IIFL Capital Services Limited (formerly known as IIFL Securities Limited), an IIFL group Company, w.e.f. March 22, 2025, and draws entire remuneration from IIFL Capital Services Limited (formerly known as IIFL Securities Limited). Previously, he was Managing Director of IIFL Facilities Services Limited, an IIFL group company and was drawing his entire remuneration from IIFL Facilities Services Limited and not drawing any remuneration from the Company.

**(b) Remuneration to Non-Executive Directors including Independent Directors and criteria thereof:**

The Non-Executive Directors including Independent Directors are paid remuneration by way of sitting fees, commission and other expenses (travelling, boarding and lodging incurred for attending the Board/Committee meetings), as determined by the Board.

During the year under review, the Non-Executive Directors including Independent Directors were paid sitting fees of ₹ 1,00,000 per meeting for attending Board and Audit Committee Meetings, ₹ 30,000 per meeting for other Committee Meetings except Corporate Social Responsibility Committee, plus reimbursement directly related to the actual travel and out-of-pocket expenses, if any, incurred by them.

Apart from the above, Non-Executive Directors including Independent Directors, of the Company (i.e., Directors other than the Managing Director and/or Whole Time Directors) are eligible for a commission as approved by the Members of the Company at the AGM held on June 30, 2021. The amount of the commission is based on the overall financial performance of the Company and the Board.

Pursuant to the provisions of Section 149(9) of the Act and Regulation 17(6)(d) of the Listing Regulations, an Independent Director shall not be entitled to any stock option. In compliance with the above provisions, the Company has not granted any employee stock options to any of the Directors. There are no pecuniary relationships or transactions of the Non-Executive Directors with the Company apart from dividends, sitting fees and commission as mentioned above.

In terms of provisions of Regulation 25(10) of the Listing Regulations, the Listed Entity shall undertake Directors and Officers insurance for all their Independent Directors. In compliance with the above provision, the Company has obtained a Directors and Officers Liabilities Insurance Policy covering all Directors and Officers of the Company in respect of any legal action that might be initiated against any of them.

# CORPORATE GOVERNANCE REPORT

### c) Stakeholders Relationship Committee (SRC):

The SRC is constituted in accordance with the Act and Listing Regulations. It comprises of one (1) Independent Directors, one (1) Non-Executive Non-Independent Director and one (1) Executive Director as on March 31, 2025, as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. Bijou Kurien | Independent Director | Chairperson |
| Mr. Arun Kumar Purwar | Non-Executive Director | Member |
| Mr. R Venkataraman | Executive Director | Member |

During the year under review, the Committee was re-constituted effective April 1, 2024, and May 21, 2024, by the Board. The composition of the SRC is in conformity with the applicable provisions of the Act and Listing Regulations.

The scope of the SRC includes the references made under Regulation 20 read with Part D of Schedule II of the Listing Regulations as well as Section 178 and other applicable provisions of the Act besides the other terms that may be referred by the Board. The broad terms of the SRC are as follows:

i. Approval of transfer/transmission of shares/ debentures and such other securities as may be issued by the Company from time to time;

ii. Approval to issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;

iii. Approval to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates relating to other securities;

iv. Approval to issue and allot Rights Shares/ Bonus Shares pursuant to a Rights shares/ Bonus shares made by the Company, subject to such approvals as may be required;

v. To approve and monitor the dematerialization of shares/debentures/other securities and all matters incidental or related thereto;

vi. Monitoring expeditious redressal of investors/ stakeholders grievances;

vii. Review of measures taken for effective exercise of voting rights by shareholders;

viii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

ix. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/ warrants/annual reports/statutory notices by the shareholders of the Company;

x. All other matters incidental or related to shares, debentures, and other securities of the Company.

In compliance with the SEBI Circular No. SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered itself under Online Dispute Resolution Portal. During the year under review, eleven (11) complaints were received by the Company from equity holders as well as holders of non - convertible debenture ("Investors") including complaints received through SEBI's SCORES portal. Complaints were redressed to the satisfaction of the investors. The details of the Complaints are as follows:

| Sr. No. | Particulars | No. of Complaints |
|---|---|---|
| 1. | Investor complaints pending at the beginning of the year | 0 |
| 2. | Investor complaints received during the year | 11 |
| 3. | Investor complaints disposed off during the year | 11 |
| 4. | Investor complaints remaining unresolved at the end of the year | 0 |

No pledge has been created over the equity shares held by the Promoters as on March 31, 2025, and a declaration under Regulation 31(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was provided by the Promoter & Promoter Group to the Audit Committee and Stock Exchanges.

The Chairperson of the SRC was present at the last AGM of the Company held on September 30, 2024.

During the year under review, the SRC met one (1) time on May 9, 2024. The requisite quorum was present at the meeting.

# CORPORATE GOVERNANCE REPORT

The constitution of the SRC and details of attendance of each member of the Committee at the aforesaid Meeting(s) of the Committee are as follows:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. Vijay Kumar Chopra* | May 6, 2021 | Chairperson | Independent Director | 1 | 1 |
| Mr. Arun Kumar Purwar | April 1, 2024 | Member | Non-Executive Director | 1 | 1 |
| Mr. R Venkataraman | January 27, 2005 | Member | Executive Director | 1 | 1 |
| Mr. Bijou Kurien# | May 21, 2024 | Chairperson | Independent Director | 0 | 0 |

#Mr. Bijou Kurien was appointed as the Member and Chairperson of the Committee w.e.f May 21, 2024.

*Mr. Vijay Kumar Chopra ceased to be Director of the Company w.e.f. May 20, 2024.

The Company Secretary acts as Secretary to the SRC.

The name, designation, address and contact details of the Company Secretary & Compliance Officer of the Company are as under:

| | |
|---|---|
| **Name and Designation** | Mr. Samrat Sanyal, Company Secretary & Compliance Officer |
| **Corporate Office Address** | 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069 |
| **Contact Details** | Tel: +91 22 6788 1000; Fax: +91 22 6788 1010<br>E-mail: csteam@iifl.com |

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agent – MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited ) at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html

**d) Corporate Social Responsibility (CSR) Committee:**

The CSR Committee is constituted in accordance with provisions of Section 135 of the Act. It comprises of three (3) Members out of which two (2) are Independent Directors and one (1) is Executive Director as on March 31, 2025 as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. Bijou Kurien | Independent Director | Chairperson |
| Mr. Nihar Niranjan Jambusaria | Independent Director | Member |
| Mr. R Venkataraman | Executive Director | Member |

During the year under review, the Committee was re-constituted effective April 1, 2024, and May 21, 2024, by the Board. The composition of CSR Committee is in conformity with the applicable provisions of the Act.

The broad terms of reference of CSR Committee are as follows:

i. To review the existing CSR Policy indicating activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf.

ii. To provide guidance on various CSR activities and to monitor the same.

During the year under review, the CSR Committee met two (2) times, as below:

| | |
|---|---|
| June 5, 2024 | March 20, 2025 |

# CORPORATE GOVERNANCE REPORT

The requisite quorum was present at the meetings.

The constitution of the CSR Committee and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. Bijou Kurien | May 21, 2024 | Chairperson | Independent Director | 2 | 2 |
| Mr. Nihar Niranjan Jambusaria | April 1, 2024 | Member | Independent Director | 2 | 2 |
| Mr. R Venkataraman | March 29, 2014 | Member | Executive Director | 2 | 2 |
| Mr. Vijay Kumar Chopra* | April 28, 2022 | Chairperson | Independent Director | 0 | 0 |

*Mr. Vijay Kumar Chopra ceased to be the Chairperson and member of the Committee with effect from May 20, 2024.

The Company Secretary acts as the Secretary to the CSR Committee.

**e) Risk Management Committee (RMC):**

The RMC is constituted in accordance with Listing Regulations and RBI SBR Direction. It comprises of five (5) Members out of which three (3) are Independent Directors, one (1) is Executive Director and Chief Risk Officer as on March 31, 2025 as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. Nihar Niranjan Jambusaria | Independent Director | Chairperson |
| Mr. R Venkataraman | Executive Director | Member |
| Mr. Ramakrishnan Subramanian | Independent Director | Member |
| Ms. Nirma Bhandari | Independent Director | Member |
| Mr. Pranav Dholakia | Chief Risk Officer | Member |

During the year under review, the Committee was re-constituted effective April 1, 2024, and October 23, 2024, by the Board. The composition of RMC is in conformity with the applicable provisions of the Act.

The scope of the RMC includes the references made under Regulation 21 read with Part D of Schedule II of the Listing Regulations besides the other terms that may be referred by the Board and RBI SBR Direction. The broad terms of reference of the RMC are as follows:

i. Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions;

ii. To monitor and review the overall risk management plan of the Company including liquidity risk;

iii. To ensure there is an embedded, robust process in place throughout the Company to identify, assess, mitigate and report business risks with clear lines of ownership;

iv. To drive and co-ordinate risk management process covering all areas of risk (including operational, strategic, financial, commercial, regulatory, reputational etc.);

v. To ensure that the business risk strategy and management processes comply with applicable regulatory requirements and corporate governance principles;

vi. To ensure that the business risk management principles and processes are widely understood across the Company through adequate induction, training and awareness programs;

vii. To periodically monitor and review the Company's key business risks and risk mitigation plans, and advise the Board of business risks which could materially impact the Company's delivery of its business plans, strategy, and reputation, if left untreated;

viii. To monitor external developments in the business environment which may have an adverse impact on Company's risk profile, and make recommendations, as appropriate;

# CORPORATE GOVERNANCE REPORT

ix. To sponsor specialist reviews of key risk areas as appropriate;

x. To report to the Board on key risks, risk management performance and the effectiveness of internal controls;

xi. To constitute operating risk management committee and delegate such powers to it as may be deemed necessary;

xii. To formulate a detailed risk management policy which shall include:

a) A framework for identification of internal and external risks specifically faced by the company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b) Measures for risk mitigation including systems and processes for internal control of identified risks.

c) Business continuity plan.

xiii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

xiv. To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems;

xv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

xvi. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

xvii. To review the appointment, removal and terms of remuneration of the Chief Risk Officer, if any.

xviii. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it required.

xix. Any other matter as may be mandated/ referred by the Authority/Board.

During the year under review, the RMC met three (3) times, as below:

| June 28, 2024* | July 10, 2024 | December 4, 2024 |
|---|---|---|

*The Meeting was adjourned to July 10, 2024

The requisite quorum was present at the meetings.

The constitution of the RMC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of the Committee are given below:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend $ | No. of Committee Meetings attended $ |
|---|---|---|---|---|---|
| Mr. Nihar Niranjan Jambusaria# | April 1, 2024 | Chairperson | Independent Director | 3 | 3 |
| Ms. Geeta Mathur* | May 28, 2020 | Chairperson | Independent Director | 2 | 2 |
| Mr. Ramakrishnan Subramanian | April 28, 2022 | Member | Independent Director | 3 | 3 |
| Ms. Nirma Anil Bhandari | October 23, 2024 | Member | Independent Director | 1 | 1 |
| Mr. R Venkataraman | June 19, 2020 | Member | Executive Director | 3 | 2 |
| Mr. Pranav Dholakia | July 27, 2023 | Member | Chief Risk Officer | 3 | 3 |

#Mr. Nihar Niranjan Jambusaria was appointed as the member of the Committee with effect from April 1, 2024 and was subsequently re-designated as the Chairperson with effect from October 23, 2024.

*Ms. Geeta Mathur ceased to be a director of the Company with effect from September 17, 2024

$Includes both original and adjourned meeting.

# CORPORATE GOVERNANCE REPORT

### f) Asset Liability and Management Committee (ALCO):

The ALCO is constituted in accordance with RBI SBR Direction. It comprises total six (6) Members out of which one (1) is an Independent Directors, one (1) is an Executive Director, one (1) is Non-Executive Director, Chief Financial Officer, Chief Risk Officer and Head - Treasury as on March 31, 2025, as follows:

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Mr. R Venkataraman | Executive Director | Chairperson |
| Mr. Arun Kumar Purwar | Non-Executive Director | Member |
| Mr. Ramakrishnan Subramanian | Independent Director | Member |
| Mr. Kapish Jain | Chief Financial Officer | Member |
| Mr. Pranav Dholakia | Chief Risk Officer | Member |
| Mr. Govind Modani | Head – Treasury | Member |

During the year under review, the ALCO was re-constituted effective May 21, 2024, by the Board.The composition of ALCO is in conformity with the RBI SBR Direction.

The scope of the ALCO includes the references made under RBI SBR Direction. The broad terms of reference of the ALCO are as follows:

i. Ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;

ii. Prepare forecasts (simulations) showing the effects of various possible changes in market conditions related to the balance sheet and recommend the action needed to adhere to Company's internal limits;

iii. Ensure that the Company operates within the limits/ parameters set by the Board;

iv. ALCO would also articulate the current interest rate view of the Company and base its decisions for future business strategy on this view;

v. Measuring and managing liquidity needs and ensuring the Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of developing an adverse situation;

vi. Present to the Board statement of assets and liabilities;

vii. Update Board on various assets and securitization of mortgage loans, and gold loans;

viii. Recommending the Board about the viable source of finance to cater to the fund requirements of the Company;

ix. Any other matter as may be mandated/referred by the Authority/Board.

During the year under review, the ALCO met four (4) times, as below:

| | | | |
|---|---|---|---|
| May 15, 2024 | September 25, 2024 | December 12, 2024 | March 12, 2025 |

The requisite quorum was present at the meetings.

The constitution of the ALCO and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. R Venkataraman | March 12, 2020 | Chairperson | Executive Director | 4 | 3 |
| Mr. Vijay Kumar Chopra* | March 12, 2020 | Member | Independent Director | 1 | 1 |
| Mr. Arun Kumar Purwar | April 28, 2022 | Member | Independent Director | 4 | 4 |
| Mr. Ramakrishnan Subramanian | April 28, 2022 | Member | Independent Director | 4 | 4 |
| Mr. Kapish Jain | October 26, 2022 | Member | Chief Financial Officer | 4 | 3 |

| Name of the Member | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Mr. Pranav Dholakia | July 27, 2023 | Member | Chief Risk Officer | 4 | 3 |
| Mr. Govind Modani | January 29, 2021 | Member | Head – Treasury | 4 | 4 |

*Mr. Vijay Kumar Chopra ceased to a a director of the Company with effect from May 20, 2024.

The Company Secretary acts as the Secretary to the ALCO.

**g) IT Strategy Committee (ITSC):**

The ITSC is constituted in accordance with the RBI Master Direction on Information Technology Governance, Risk, Controls, and Assurance Practices. As of March 31, 2025, the Committee comprises five (5) members, including three (3) Independent Directors, the Chief Technology Officer, and the Chief Risk Officer. The Chief Information Security Officer is a permanent invitee to the Committee.

| Name of the Member | Category of Member | Designation |
|---|---|---|
| Ms. Nirma Anil Bhandari | Independent Director | Chairperson |
| Mr. Bijou Kurien | Independent Director | Member |
| Mr. Ramakrishnan Subramanian | Independent Director | Member |
| Mr. Pranav Dholakia | Chief Risk Officer | Member |
| Mr. Gaurav Sharma | Chief Technology Officer | Member |
| Mr. Sameer Gadve | Chief Information Security Officer | Permanent Invitee |

During the year under review, the ITSC was re-constituted on April 1, 2024, May 11, 2024, August 6, 2024, September 18, 2024, October 23, 2024, and February 12, 2025, by the Board. The composition of ITSC is in conformity with RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices.

The scope of the ITSC includes the references made under RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The broad terms of reference of the ITSC are as follows:

i. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

ii. Ascertaining that management has implemented processes and practices that ensure the IT delivers value to the business;

iii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;

iv. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;

v. Ensuring proper balance of IT investments for sustaining the NBFC's growth and becoming aware about exposure towards IT risks and controls;

vi. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end-to-end manner;

vii. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing;

viii. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of outsourcing arrangements;

ix. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;

x. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;

xi. Periodically reviewing the effectiveness of policies and procedures;

xii. Communicating significant risks in outsourcing to the the NBFC's Board on a periodic basis;

xiii. Ensuring an independent review and audit in accordance with approved policies and procedures;

# CORPORATE GOVERNANCE REPORT

xiv. Ensuring that contingency plans have been developed and tested adequately;

xv. Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing;

xvi. To work in partnership with other Board committees and Senior Management to provide inputs to them. It will also carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;

xvii. Any other matter as may be mandated/referred by the Authority/Board.

During the year under review, the ITSC met four (4) times, as below:

| June 3, 2024 | September 25, 2024 | December 19, 2024 | March 21, 2025 |
|---|---|---|---|

The requisite quorum was present at the meetings.

The constitution of the ITSC and details of attendance of each Member of the Committee at the aforesaid Meeting(s) of Committee are given below:

| Name of the Members | Member of Committee since | Designation | Category | No. of Committee Meetings entitled to attend | No. of Committee Meetings attended |
|---|---|---|---|---|---|
| Ms. Nirma Anil Bhandari[$] | September 18, 2024 | Chairperson | Independent Director | 3 | 3 |
| Mr. Bijou Kurien[@@@] | April 1, 2024 | Member | Independent Director | 4 | 4 |
| Mr. Ramakrishnan Subramanian | April 28, 2022 | Member | Independent Director | 4 | 4 |
| Mr. Pranav Dholakia | July 27, 2023 | Member | Chief Risk Officer | 4 | 4 |
| Mr. Gaurav Sharma | July 27, 2022 | Member | Chief Technology Officer | 4 | 4 |
| Mr. Sameer Gadve | May 11, 2024 | Permanent Invitee | Chief Information Security Officer | 4 | 3 |
| Mr. Vishal Shirke[@@] | August 6, 2024 | Member | Head PMO & Service Delivery | 1 | 1 |
| Mr. Arun Kumar Purwar[*] | April 1, 2024 | Member | Non- Executive Director | 2 | 2 |
| Ms. Geeta Mathur[@] | January 29, 2021 | Member | Independent Director | 1 | 1 |
| Mr. Prashant Ahire[****] | January 17, 2024 | Member | Head PMO & Service Delivery | 1 | 1 |
| Mauli Agarwal[**] | January 20, 2024 | Member | Company Secretary & Compliance Officer | 0 | 0 |
| Shanker Ramrakhiani[***] | May 6, 2021 | Member | Chief Information Security Officer | 0 | 0 |

*Mr. Arun Kumar Purwar ceased to be the Chairperson of the Committee w.e.f. April 1, 2024, and subsequently, ceased to the Member of the Committee w.e.f. October 23, 2024.

** Ms. Mauli Agarwal ceased to be the Member of the Committee w.e.f. April 1, 2024.

***Mr. Shanker Ramrakhiani ceased to be the Member of the Committee w.e.f. May 10, 2024.

****Mr. Prashant Ahire ceased to be the Member of the Committee w.e.f. August 6, 2024.

@Ms. Geeta Mathur ceased to be the Director of the Company w.e.f. September 17, 2024.

@@Mr. Vishal Shirke ceased to be the Member of the Committee w.e.f. December 6, 2024.

@@@Mr. Bijou Kurien was appointed as the Chairperson and Member of the Committee w.e.f. April 1, 2024, and subsequently ceased to be the Chairperson of the Committee w.e.f. October 23, 2024.

[$]Ms. Nirma Anil Bhandari was appointed as Member of the Committee w.e.f. September 18, 2024, and subsequently, she was re-designated as the Chairperson w.e.f. October 23, 2024.

The Company Secretary acts as the Secretary to the ITSC.

# CORPORATE GOVERNANCE REPORT

## 4. SENIOR MANAGEMENT

### a) Particulars of Senior Management Personnel as on March 31, 2025:

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Kapish Jain | Chief Financial Officer |
| 2. | Mr. Abhiram Bhattacharjee | Chief Operating Officer |
| 3. | Mr. Pranav Dholakia | Chief Risk Officer |
| 4. | Mr. Shivalingam Arumugam Pillai | Chief Compliance Officer |
| 5. | Mr. Samrat Sanyal | Company Secretary & Compliance Officer |
| 6. | Mr. Mayank Sharma | Head - Internal Audit |
| 7. | Ms. Preeti Kannan | Chief Human Resource Officer |
| 8. | Mr. Gaurav Sharma | Chief Technology Officer |
| 9. | Mr. Manav Verma | Chief Marketing Officer |
| 10. | Mr. Mahesh Mimani | Head Resolutions |
| 11. | Ms. Kirti Timmanagoudar | Senior Vice President - Strategic Alliances |
| 12. | Mr. Amlan Narendra Singh | Head of Operations & Customer Service |
| 13. | Mr. Sourav Mishra | Head - Corporate Communication |
| 14. | Mr. Sameer Gadve | Chief Information Security Officer |
| 15. | Mr. Rupesh Samani | Head - Legal |
| 16. | Mr. Amit Sharma | Business Head- Unsecured Lending |

### b) Changes in Senior Management since the close of previous financial year:

| Sr. No. | Name | Designation | Nature of change | Effective date |
|---|---|---|---|---|
| 1. | Mr. Shanker Ramrakhiani | Chief Information Security Officer | Resignation | May 10, 2024 |
| 2. | Mr. Sameer Gadve | Chief Information Security Officer | Appointment | May 11, 2024 |
| 3. | Mr. Shubham Khare | Head - Legal | Appointment | June 15, 2024 |
| 4. | Ms. Richa Chatterjee | Chief Human Resource Officer | Resignation | August 9, 2024 |
| 5. | Ms. Mauli Agarwal | Company Secretary | Resignation | August 23, 2024 |
| 6. | Mr. Samrat Sanyal | Company Secretary | Appointment | August 23, 2024 |
| 7. | Mr. Shubham Khare | Head - Legal | Resignation | September 12, 2024 |
| 8. | Ms. Preeti Kannan | Chief Human Resource Officer | Appointment | September 27, 2024 |
| 9. | Mr. Saurabh Kumar | Business Head- Gold Loan | Resignation | October 14, 2024 |
| 10. | Mr. Rupesh Samani | Head - Legal | Appointment | January 23, 2025 |
| 11. | Mr. Bharat Aggarwal | Business Head - Unsecured Lending | Resignation | January 27, 2025 |
| 12. | Mr. Amit Sharma | Business Head - Unsecured Lending | Appointment | February 12, 2025 |

## 5. PERIODIC REVIEW OF COMPLIANCES OF ALL APPLICABLE LAWS

The Company follows a system whereby all the Acts, Rules and Regulations applicable to the Company are identified and compliance with such Acts, Rules and Regulations are monitored by dedicated teams on a regular basis. Verification of the compliance with the major Acts, Rules and Regulations is carried out by external auditors/ lawyers/ consultants and their reports and implementation of their observations are reported to the Board/Audit Committee. In addition, the audit and verification plan and actual status thereof is reviewed by the Board/Audit Committee periodically. A consolidated compliance certificate based on the compliance status received from the Company and its respective subsidiaries/associates in respect of various Acts, Laws, Rules, and Regulations applicable to the Company is placed before the Board on a regular basis for review. Necessary reports are also submitted to the various regulatory authorities as per the requirements, from time to time.

# CORPORATE GOVERNANCE REPORT

## 6. GENERAL BODY MEETINGS

### a) AGM

The following table gives the details of the last three AGMs of the Company:

| Date of AGM | Mode/Venue | Time | Special Resolutions passed |
|---|---|---|---|
| September 30, 2024 | Through Video Conferencing Deemed Venue: Registered office | 11:30 a.m. | 1. To approve an offer or invitation to subscribe to non-convertible debentures to be issued on a private placement basis. |
| July 31, 2023 | Through Video Conferencing Deemed Venue: Registered office | 11:00 a.m. | 1. To approve an offer or invitation to subscribe to non- convertible debentures on private placement basis.<br>2. To amend the Employee Stock Option Plan - 2008. |
| July 8, 2022 | Through Video Conferencing Deemed Venue: Registered office | 2:00 p.m. | 1. To approve an offer or invitation to subscribe to non-convertible debentures on private placement basis. |

### b) POSTAL BALLOT

During the year under review, two (2) Postal Ballots were conducted during the year, details of which are as follows:

**Postal Ballot 1**

Postal Ballot Notice dated May 1, 2024 for approval of the following resolutions:

| Sr.No. | Resolution passed | Particulars | Voting percentage of shareholders participated | |
|---|---|---|---|---|
| | | | Favour (%) | Against (%) |
| 1. | To appoint Mr. Nihar Niranjan Jambusaria (DIN: 01808733) as a Non-Executive Independent Director of the Company. | Promoter and Promoter Group | 100.00 | 0.00 |
| | | Public Institutions | 84.89 | 15.11 |
| | | Public Non-Institutions | 100.00 | 0.00 |
| 2. | To appoint Mr. Bijou Kurien (DIN: 01802995) as a Non-Executive Independent Director of the Company. | Promoter and Promoter Group | 100.00 | 0.00 |
| | | Public Institutions | 99.98 | 0.02 |
| | | Public Non-Institutions | 100.00 | 0.00 |
| 3. | To appoint Mr. Arun Kumar Purwar (DIN: 00026383) as a Non-Executive Non-Independent Director of the Company. | Promoter and Promoter Group | 100.00 | 0.00 |
| | | Public Institutions | 96.17 | 3.83 |
| | | Public Non-Institutions | 100.00 | 0.00 |
| 4. | To appoint Mr. Gopalakrishnan Soundarajan (DIN: 05242795) as a Non-Executive Independent Director of the Company. | Promoter and Promoter Group | 100.00 | 0.00 |
| | | Public Institutions | 97.09 | 2.91 |
| | | Public Non-Institutions | 100.00 | 0.00 |

Details of Scrutinizer: Ms. Hetal Shah, Partner, M/s. Nilesh Shah & Associates (Membership No. FCS 8063; CP No. 8964)

Date of Scrutinizer's Report: June 11, 2024

Date of passing the resolution: June 10, 2024

**Postal Ballot 2:**

Postal Ballot Notice dated November 6, 2024 for the approval of following resolutions:

| Sr.No. | Resolution passed | Particulars | Voting percentage of shareholders participated | |
|---|---|---|---|---|
| | | | Favour (%) | Against (%) |
| 1. | To appoint Ms. Nirma Anil Bhandari (DIN: 02212973) as a Non-Executive Independent Director of the Company. | Promoter and Promoter Group | 100.00 | 0.00 |
| | | Public Institutions | 99.25 | 0.75 |
| | | Public Non-Institutions | 99.98 | 0.02 |

Details of Scrutinizer: Mr. Nilesh Shah, Partner, M/s. Nilesh Shah & Associates (Membership No. FCS 4554; CP No. 2631)

Date of Scrutinizer Report: December 11, 2024

Date of Passing the resolution: December 10, 2024

The scrutinizer's report for the above postal ballot has been placed on the Company's website and can be accessed at: https://storage.googleapis.com/iifl-finance-storage/files/investor/newsroom/SEIntimationvotingresultsfinal_11062024.pdf and https://storage.googleapis.com/iifl-finance-storage/files/investor/newsroom/SEIntimation_Reg44_Final_11122024.pdf, and is also placed at the Registered Office of the Company. The resolution mentioned above was passed by the shareholders with the requisite majority in favour of the Company.

**Procedure for Postal Ballot:**

The postal ballot was carried out as per the provisions of the section 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

**Details of special resolution proposed to be transacted through Postal Ballot:**

As on the date of this report, no special resolution is proposed to be conducted through postal ballot.

**c) EXTRA ORDINARY GENERAL MEETING**

During the year under review, no Extra Ordinary General Meeting of the Company was held.

## 7. DISCLOSURES

**(i) Disclosure on significant Related Party Transactions that may have potential conflict with the interest of the Company at large:**

The Company has put in place a Policy for Related Party Transactions ("RPTs") which has been approved by the Board. The Policy provides for the identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations.

All transactions executed by the Company during the Financial Year with related parties were on arm's length basis and in the ordinary course of business. All such RPTs were placed before the Audit Committee for its approval, wherever applicable.

During the year under review, except the transactions approved by the shareholders, the Company has not entered into any material contract(s)/ arrangement(s)/transaction(s) with related parties, which could be considered material in accordance with the Listing Regulations, sub-section (1) of Section 188 of the Act and the Policy of the Company on materiality of RPTs.

The Policy on the materiality of RPTs and dealing with RPTs as approved by the Board may be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-04/Policy_on_Related_Party_Transactions_23042025.pdf. Refer Note no. 44 of the Standalone Financial Statements which contains related party disclosures.

**(ii) Details of non-compliance:**

Strictures /penalties were imposed on the Company by the RBI, Stock Exchanges, SEBI or any other statutory/regulatory authority on any matter related to the Securities markets during the last three Financial Years as mentioned below:

# CORPORATE GOVERNANCE REPORT

**Reserve Bank of India:**

The Reserve Bank of India (RBI), through a press release and order dated March 4, 2024, directed the Company to immediately cease and desist from sanctioning or disbursing gold loans, as well as from assigning, securitising, or selling any of its gold loans. However, the Company was permitted to continue servicing its existing gold loan portfolio through regular collection and recovery processes.These supervisory restrictions were imposed pending the completion of a special audit initiated by the RBI. Following the completion of the audit and RBI's inspection, the ban was lifted. The Special Audit commenced on April 23, 2024, and subsequently concluded, the RBI, after examining the submissions made and the remedial actions undertaken by the Company, vide its communication dated September 19, 2024, lifted the restrictions imposed on the gold loan business. The aforesaid directions were specific to the gold loan portfolio and did not affect the Company's other business activities.

**Stock Exchanges:**

Pursuant to Regulation 30 and 51 of the Listing Regulations (as amended from time to time) read with Para A of Part A of Schedule III of the Listing Regulations, the Company had received an email dated June 28, 2024, imposing penalty of ₹ 94,400 each, from the Stock Exchanges on which the Company is listed, i.e. BSE and NSE, regarding penal action for non-compliance as per SEBI Circular w.r.t. non-submission of the financial results within stipulated timelines prescribed under Listing Regulations. The Company, paid the said penalty on June 29, 2024, and reported that there is no material impact on the financials, operations, or other activities of the Company.

**(iii) Vigil Mechanism/Whistle Blower Policy:**

In compliance with the provisions of Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company has adopted a Vigil Mechanism/Whistle Blower Policy and has established the necessary vigil mechanism for employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguard against victimization of Whistle Blowers who avails such a mechanism and provides access to the Chairperson of Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee. The said Policy as approved by the Board may be accessed on the website of the Company i.e. https://storage.googleapis.com/iifl-finance-storage/files/2021-03/IIFL_WhistleBlower_VigilancePolicy_2020.pdf.

**(iv) Prevention of Insider Trading:**

Pursuant to the provisions of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated and adopted Code of Conduct under PIT Regulations incorporating the requirements in accordance with the PIT Regulations, clarifications and circulars and the same are updated as and when required.

All Designated Persons of the Company are covered under the Code, which provides, inter alia, for periodical disclosures and obtaining pre-clearance for trading in the securities of the Company. The Company has in place, a tracking mechanism for monitoring trade in the securities of the Company by Designated Persons identified under the Code of Conduct under PIT Regulations. Further, a Structured Digital Database is maintained, which contains the names and other particulars as prescribed, of the persons covered under the Code of Conduct under PIT Regulations.

Your Company periodically circulates e-mails, enables screen savers along with the FAQs on Insider Trading Code, Do's and Don'ts etc. to the employees (including new employees) to familiarize them with the provisions of the Code. The Company also conducts frequent workshops/training sessions to educate and sensitize the employees/Designated Persons. In terms of the provisions of Regulation 8 of the PIT Regulations, the Board has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") which also includes details of the Company's policy for determination on 'legitimate purposes' as per the requirements of the PIT Regulations and is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2022-07/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information_27072022.pdf.

Mr. Samrat Sanyal, Company Secretary of the Company is designated as the "Compliance Officer" under the Code of Conduct as prescribed by PIT Regulations.

**(v) Compliance with Mandatory and Non-Mandatory Provisions:**

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed under Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations to the extent applicable to the Company.

The status on the compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing Regulations are as under:

- Chairperson of the Board is Non-Executive Non-Independent Director and not related to the Managing Director of the Company.
- A clear distinction exists between the roles and duties of the Chairperson and those of the Managing Director.
- The Internal Auditor has direct access to the Audit Committee;
- Unmodified audit opinions/reports;
- The Company follows a robust process of communicating with the stakeholders, which has been explained under "Means of Communication to the stakeholders".

**(vi) Disclosure of accounting treatment:**

There was no deviation in following the treatments prescribed in any of the Indian Accounting Standards ("Ind AS") in the preparation of the financial statements of the Company.

## 8. MEANS OF COMMUNICATION TO THE STAKEHOLDERS

Your Company, as and when required, communicates with its stakeholders through multiple channels of communication including the following:

- Dissemination of information on the Stock Exchanges
- Investor presentations
- Press/Media releases
- Annual reports
- Investor/analysts calls, conferences and meets
- Uploading relevant information on the Company's website

**Financial Results:**

The quarterly and annual financial results of the Company are published in widely circulated English newspapers viz. "Business Standard", "The Financial Express", "The Free Press Journal", "Business Standard" in Hindi and vernacular newspaper "Navshakti". The Company also regularly makes presentations to investment analysts in Analysts meets and Institutional Investors meets held from time to time, transcripts of which are uploaded on the website of the Company at www.iifl.com. The schedule of Analyst meets/ Institutional Investors meets are also informed to the public through the Stock Exchanges.

**Annual Report:**

Pursuant to the Ministry of Corporate Affairs and SEBI Circulars, the Annual Report containing the Notice of AGM was sent through email to all the stakeholders.

**Press/Media Release & Investor/Analyst Call:**

The Company organizes earnings call with analysts and investors on the next day of the announcement of results. The audio clips and transcript of these earnings call are uploaded on the website of the Company. Presentations made to institutional investors and financial analysts on the financial results are submitted to the stock exchanges and uploaded on the website of the Company.

**Disclosures:**

The Company informs BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") about all price sensitive matters or such other matters which are material and of relevance to the stakeholders of the Company and the same are also displayed on the website of the Company.

The Board has approved a policy for determining the materiality of events for the purpose of making disclosures to the Stock Exchanges. The Managing Director, Joint Managing Director, Chief Financial Officer and the Company Secretary of the Company are empowered to determine the materiality of the information for the purpose of making a disclosure to the Stock Exchanges.

All the disclosures made to the Stock Exchanges are also available on the website of the Company at https://www.iifl.com/finance/investor-relations/newsroom

The Company's website contains a separate section namely "Investor Relations" at https://www.iifl.com/finance/overview where stakeholder related information is available, and stakeholders can access the information as required to be disseminated on the website of the Company pursuant to Regulation 46 & 62 of the Listing Regulations.

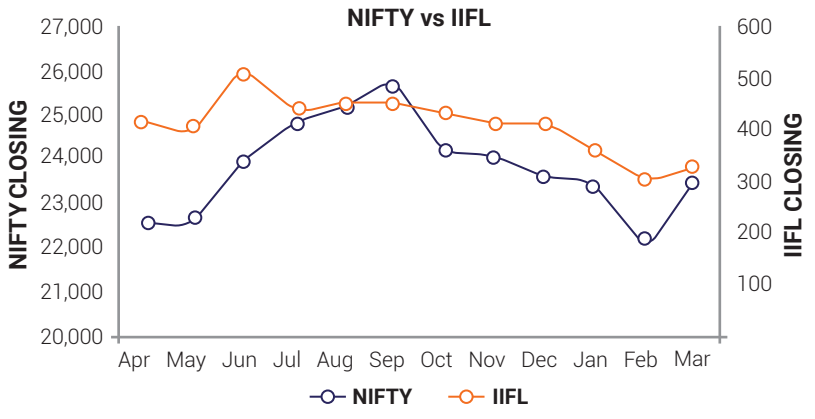
# CORPORATE GOVERNANCE REPORT

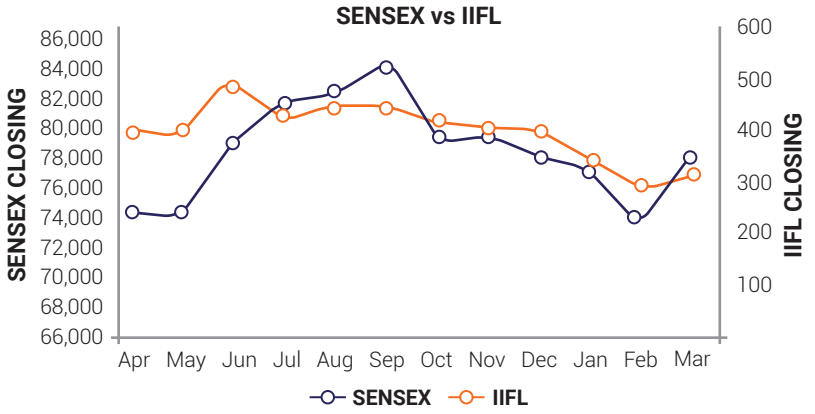
## 9. GENERAL SHAREHOLDERS' INFORMATION

| | | |
|---|---|---|
| 1. | **AGM** | Friday, July 18, 2025 at 11:30 a.m.<br>The Company is conducting the AGM through Video Conferencing/Other Audio-Visual means. |
| 2. | **Financial Year** | The Financial Year of the Company comprises of period of 12 months from April 1 to March 31. |
| 3. | **Interim dividend** | During FY 2024-25, the Company has not declared any interim dividend. |
| 4. | **Listing of equity shares on Stock Exchanges** | **1. NSE**<br>Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400 051<br>**2. BSE**<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001<br>Note - The NCDs issued to Public are listed on BSE and NSE and the privately placed NCDs are listed on NSE and/or BSE.<br>The Company has paid the annual listing fees for the financial year 2024-25 to the Stock Exchanges.<br>None of the securities of the Company have been suspended for trading at any point of time during the year. |
| 5. | **Stock code** | **NSE** – IIFL<br>**BSE** – 532636 |
| 6. | **Stock market data** | Table below gives the monthly high and low price of shares traded at BSE and NSE for the financial year 2024-25.<br>**Stock Performance V/s S&P BSE Sensex and NSE Nifty**<br>The chart below plots the monthly closing price of the Company versus the BSE - Sensex and NSE - S&P CNX Nifty for the year ended March 31, 2025. |

| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High | Low | Volume | High | Low | Volume |
| April 2024 | 449.50 | 342.40 | 5465718 | 449.40 | 342.20 | 65646248 |
| May 2024 | 418.50 | 367.00 | 1890706 | 418.70 | 366.55 | 30847281 |
| June 2024 | 521.90 | 341.00 | 6740423 | 521.40 | 340.80 | 82462415 |
| July 2024 | 535.65 | 408.45 | 2537049 | 535.60 | 406.05 | 39877764 |
| August 2024 | 479.70 | 397.00 | 2178591 | 479.30 | 396.75 | 35888816 |
| September 2024 | 560.50 | 444.55 | 5282333 | 560.60 | 444.45 | 126360184 |
| October 2024 | 483.00 | 391.50 | 3419026 | 482.50 | 391.25 | 52779562 |
| November 2024 | 475.60 | 403.05 | 1538715 | 475.30 | 403.10 | 22897759 |
| December 2024 | 454.10 | 401.90 | 1590150 | 454.40 | 401.65 | 39207862 |
| January 2025 | 440.60 | 325.95 | 1951420 | 440.45 | 326.00 | 35678172 |
| February 2025 | 372.50 | 299.80 | 1873445 | 372.60 | 299.15 | 28184948 |
| March 2025 | 344.40 | 280.95 | 26,60,186 | 344.50 | 279.80 | 58153741 |

# CORPORATE GOVERNANCE REPORT




| | | |
|---|---|---|
| 7. | **Demat ISIN numbers in National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for equity shares** | ISIN - INE530B01024 |
| 8. | **Registrar & Share Transfer Agent** | **MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)**<br>C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai- 400083<br>Tel: 022-49186000<br>Email: rnt.helpdesk@in.mpms.mufg.com |
| 9. | **Share transfer system** | The Company's shares are compulsorily traded including transfer in dematerialized form and are available for trading with both the depositories i.e. NSDL and CDSL.<br>The Board has delegated the authority for approval of transmission, transposition and issue of duplicate share certificate etc., to the SRC. The SRC meets as and when required to consider & approve the above matters. |
| 10. | **Dematerialization of shares** | As on March 31, 2025, 99.94% of the paid-up share capital of the Company was in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form through CDSL and NSDL as per notifications issued by SEBI from time to time. |

# CORPORATE GOVERNANCE REPORT

| | | |
|---|---|---|
| 11. | **Address for correspondence** | **MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)**<br>Contact Person: Mr. Rajiv Ranjan - Sr. Assistant Vice President<br>Tel: (+91) 8108116767<br>C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai- 400083<br>To raise an email query following is the link:<br>https://web.in.mpms.mufg.com/helpdesk/Service_Request.html<br>**Company Secretary & Compliance Officer**<br>Mr. Samrat Sanyal, Company Secretary and Compliance Officer<br>802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400069. Tel: (91-22) 6788 1000<br>Email: shareholders@iifl.com |
| 12. | **Outstanding Global Depository Receipts ("GDRs")/American Depository Receipts ("ADRs")/Warrants or any convertible instruments, conversion date and likely impact on equity** | Your Company does not have any outstanding GDRs/ADRs/Warrants as on date. The Company has outstanding unexercised ESOPs (vested or not vested) of 47,60,402 stock options as on March 31, 2025 under its various ESOP plans which may be exercised by the grantees as per the vesting period. Each option granted is convertible into one equity share of the Company. Upon exercise of options by grantees, the paid- up share capital of the Company will increase accordingly. |
| 13. | **Credit Rating** | The list of all the credit ratings issued by the credit rating agencies for all instruments has been provided in the Directors' Report. |
| 14. | **Plant Location** | Not Applicable |
| 15. | **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities** | Your Company actively monitors the foreign exchange movements and takes forward/ options covers as appropriate to reduce the risks associated with transactions in foreign currencies.<br>Your Company has not taken any exposure in commodity hedging activities. |

## SHAREHOLDING PATTERN

The shareholding pattern and Categories of Equity Shareholders as on March 31, 2025, are as below:

| Category | Number of equity shares held | Percentage of holding |
|---|---|---|
| Clearing Members | 4,850 | 0.00 |
| Other Bodies Corporate | 1,34,03,585 | 3.16 |
| Directors | - | - |
| Foreign Company | 6,45,52,521 | 15.21 |
| Hindu Undivided Family | 24,77,016 | 0.58 |
| Mutual Funds | 1,44,99,544 | 3.42 |
| Banks | 307 | 0.00 |
| Foreign Nationals | - | - |
| Non-Resident Indians | 2,50,16,551 | 5.89 |
| Persons Acting In Concert | 50,76,559 | 1.20 |
| Public | 6,56,03,569 | 15.45 |

| Category | Number of equity shares held | Percentage of holding |
|---|---|---|
| Promoters | 10,05,98,108 | 23.70 |
| Trusts | 76,298 | 0.02 |
| Insurance Companies | 1,62,954 | 0.04 |
| Body Corporate – Limited Liability Partnership | 17,97,134 | 0.42 |
| Foreign Portfolio Investors (Corporate) – I | 9,78,18,777 | 23.04 |
| Foreign Portfolio Investors (Corporate & Individual) – II | 2,11,87,157 | 4.99 |
| Foreign Portfolio Investors – III | - | - |
| Alternate Investment Funds | 88,30,287 | 2.08 |
| NBFCs registered with RBI | 1,000 | 0.00 |
| Investor Education And Protection Fund | 53,190 | 0.01 |
| Directors and their relatives (excluding independent Directors and nominee Directors) | 33,51,680 | 0.79 |
| Central Government | 378 | 0.00 |
| Escrow Account | 105 | 0.00 |
| Key Managerial Personnel | 5,000 | 0.00 |
| Grand Total | 42,45,16,570 | 100 |

## 11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025

The distribution of shareholders as on March 31, 2025, is as follows:

| Sr. No. | Number of Shares Held | No. of Shareholders | Percentage of Total Shareholders | Total Shares | Percentage of Total Shares |
|---|---|---|---|---|---|
| 1. | 1 to 500 | 1,53,222 | 88.14 | 1,19,62,351 | 2.82 |
| 2. | 501 to 1,000 | 11,646 | 6.70 | 81,07,174 | 1.91 |
| 3. | 1,001 to 2,000 | 4,458 | 2.56 | 63,17,443 | 1.49 |
| 4. | 2,001 to 3,000 | 1,424 | 0.82 | 35,51,930 | 0.84 |
| 5. | 3,001 to 4,000 | 645 | 0.37 | 22,65,888 | 0.53 |
| 6. | 4,001 to 5,000 | 480 | 0.28 | 22,23,703 | 0.52 |
| 7. | 5,001 to 10,000 | 875 | 0.50 | 62,30,719 | 1.47 |
| 8. | 10,001 to 99999999999 | 1,087 | 0.63 | 38,38,57,362 | 90.42 |
| **Total** | | | **100** | **42,45,16,570** | **100** |

## 12. PROCEEDS FROM PUBLIC ISSUES, PREFERENTIAL ISSUE AND QUALIFIED INSTITUTIONAL PLACEMENT

Money raised through the Public Issue of NCDs has been utilized for the purposes, as disclosed in the Prospectus, for which it was raised and there has been no deviation as on date in the utilization of the money so raised. The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutional placement during financial year 2024-25. Therefore, there are no details to be disclosed as per Regulation 32(7A) of Listing Regulations

# CORPORATE GOVERNANCE REPORT

## 13. DETAILS OF MATERIAL SUBSIDIARIES OF THE COMPANY

| Name of material subsidiary | Date of incorporation | Place of incorporation | Name and date of appointment of the Statutory Auditors |
|---|---|---|---|
| IIFL Home Finance Limited | December 26, 2006 | Mumbai | 1. M/s. S.R. Batliboi & Associates LLP<br>Date of Appointment: April 24, 2023, Appointment w.e.f. April 1, 2023<br>2. M/s. Sundaram & Srinivasan<br>Date of Appointment: June 7, 2024<br>Appointment w.e.f. April 1, 2024 |
| IIFL Samasta Finance Limited | August 09, 1995 | Bangalore | M/s. Suri & Co<br>Date of Appointment: June 29, 2024 |

The Audit Committee reviews the financial statements including particulars of investments made by all the unlisted subsidiary companies.

Your Company has a system of placing the minutes of the Board/Audit Committee and statements of all the significant transactions/developments of all the unlisted subsidiary companies at the meeting of Board of Directors of the Company.

The policy for determining 'material' subsidiaries as approved by the Board can be accessed on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2025-03/Policy_on_determining_Material_Subsidiaries_04032025.pdf.

## 14. CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATE

The Certificate required under provisions of Regulation 17(8) of the Listing Regulations duly signed by the Managing Director, Joint Managing Director and Chief Financial Officer was submitted to the Board and the same is annexed to this Report. Refer page 203 of the Report.

## 15. PREVENTION OF SEXUAL HARASSMENT

Your Company recognizes its responsibility and is committed towards creating a respectful and safe working environment for women, free from sexual harassment and discrimination. In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has put in place a comprehensive policy on prevention of Sexual Harassment of Women at Workplace. The Company has 'zero-tolerance' approach towards any act of sexual harassment. In compliance with Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, the Internal Complaints Committee has been constituted. All complaints are investigated and conducted in an impartial manner and the investigation reports and recommendations are forwarded to the Chief Human Resources Officer for action. A quarterly summary report is also placed before the Audit Committee as well as the Board. The details of Internal Complaints Committee members have been prominently displayed across all offices in publicly accessible areas. Further, awareness and training sessions about the Prevention of Sexual Harassment at workplace are conducted for all employees, including our associates.

The following complaints were reported pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for the FY 2024-25:

a) Number of complaints received during the year: 8

b) Number of complaints disposed of during the year: 8

c) Number of cases pending as at end of the year: Nil

d) Number of workshops or awareness program against sexual harassment carried out: 5 Awareness drives carried out

e) Nature of action taken by the employer or district officer: Asked to leave, Black Marks issued, Warning Letters Issued ( 3 types of actions taken): 2 termination cases and 1 written warning

## 16. TOTAL FEES TO STATUTORY AUDITORS

Total fees for all the services paid by the Company and its subsidiaries for the financial year 2024-25, on a consolidated basis, to the Joint Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows:

# CORPORATE GOVERNANCE REPORT

| Particulars | Amount (₹ In Crore) |
|---|---|
| Audit Fees | 0.59 |
| Certification/other services* | 0.01 |
| Out of Pocket Expenses | 0.11 |
| **Total** | **0.71** |

* During the year under review of the Company has paid ₹ 1.33 Crores to the Auditors towards certification pertaining to Public Issue of Non convertible debentures & Secured medium term notes programme and the same has been amortized over the tenure of the borrowings.

## 17. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Your Company has obtained the certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretary required under the Listing Regulations confirming that none of the Directors on Board of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/MCA or any such other statutory authority and is annexed as **Annexure I** to this Report in terms of the provisions of Part C of Schedule V of the Listing Regulations. Refer page 201 of the Report.

## 18. CERTIFICATE ON CORPORATE GOVERNANCE

Your Company has received a certificate from the Secretarial Auditor of the Company, M/s. Nilesh Shah & Associates, Practicing Company Secretary, certifying compliance with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations is annexed as **Annexure II** to this Report in terms of the provisions of Part E of Schedule V of the Listing Regulations. Refer page 202 of the Report.

## 19. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

As on March 31, 2025, 105 equity shares of the Company are held in Demat Suspense Account.

## 20. LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS / COMPANIES IN WHICH DIRECTORS ARE INTERESTED

There are no loans and advances in the nature of loans to firms / companies in which directors are interested.

## 21. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

There are no such agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity.

## 22. DISCLOSURE OF COMPLIANCE

Your Company has complied with all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of the Listing Regulations, except as mentioned below.

The Company has paid remuneration to Mr. Nirmal Jain, Managing Director of the Company, in excess of maximum remuneration as provided under Regulation 17 (6) (e) of Listing Regulations.

## 23. CODE OF CONDUCT

In compliance with Regulations 17(5) and 26(3) of the Listing Regulations, the Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company. The Code of Conduct is available on the website of the Company at https://storage.googleapis.com/iifl-finance-storage/files/2023-02/Code_of_Conduct_2023.pdf.

The Senior Management of the Company has made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large. All the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct during the financial year under review and a declaration to that effect signed by the Chairperson of the Company forms a part of this Report and is annexed as **Annexure III** to this report. Refer page 203 of the Report.

**For IIFL Finance Limited**

**Arun Kumar Purwar**
Chairperson & Non-Executive Director
(DIN: 00026383)

Place: Mumbai
Date: May 8, 2025

# ANNEXURE I

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members,**

**IIFL Finance Limited**

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of IIFL Finance Limited, having CIN: L67100MH1995PLC093797 and having registered office situated at IIFL House, Sun Infotech Park, Road No. 16V, Plot No.B-23, Thane Industrial Area, Wagle Estate, Thane – 400 604 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 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, or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Designation | Date of Appointment in Company |
|---|---|---|---|---|
| 1. | Nirmal Jain | 00010535 | Managing Director | 18/10/1995 |
| 2. | Venkataraman Rajamani | 00011919 | Joint Managing Director | 05/07/1999 |
| 3. | Arun Kumar Purwar | 00026383 | Non-Executive Director | 10/03/2008 |
| 4. | Ramakrishnan Subramanian | 02192747 | Independent Director | 06/09/2021 |
| 5. | Tritala Ramakrishnan | 09515616 | Non-Executive Nominee Director | 26/10/2023 |
| 6. | Bijou Kurien | 01802995 | Independent Director | 13/03/2024 |
| 7. | Nihar Jambusaria | 01808733 | Independent Director | 13/03/2024 |
| 8. | Gopalakrishnan Soundarajan | 05242795 | Non-Executive Director | 11/05/2024 |
| 9. | Nirma Bhandari | 02212973 | Independent Director | 16/09/2024 |

Ensuring the eligibility of 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 the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Nilesh Shah & Associates**
**Company Secretaries**

**Nilesh Shah**
Partner
FCS - 4554
C.P. No: 2631
Peer Review No. 6454/2025

**Place: Mumbai**
**Date: May 8, 2025**
**UDIN: F004554G000301884**

# ANNEXURE II

## CERTIFICATE ON CORPORATE GOVERNANCE

To
**The Members,**
**IIFL Finance Limited**
IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23,
Thane Industrial Area,
Wagle Estate, Thane – 400 604

We have examined the compliance of conditions of Corporate Governance by IIFL Finance Limited ('the Company'), for the financial year ended on March 31, 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 to the extent applicable.

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

It may be noted that the Company has paid remuneration to Mr. Nirmal Jain – Managing Director of the Company in excess of maximum remuneration as provided under Regulation 17 (6) (e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have been informed that due to RBI cease and desist order on Gold Loan business from March 4, 2024 to September 19, 2024, the business volume and the resultant net profit for the current fiscal was heavily impacted resulting in payment of excess remuneration. The Company proposes to obtain approval of members at the ensuing Annual General Meeting for waiver for recovery of excess managerial remuneration paid to Mr. Nirmal Jain, for the financial year 2024-25.

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 Nilesh Shah & Associates**
**Company Secretaries**

**Nilesh Shah**
Partner
FCS - 4554
C.P. No: 2631
Peer Review No. 6454/2025

Place: Mumbai
Date: May 8, 2025
UDIN: F004554G000301906

# ANNEXURE III

## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
**The Board of Directors**
**IIFL Finance Limited**

We hereby certify that;

(a) We have reviewed the financial statements and the cash flow statement of IIFL Finance Limited for the year ended March 31, 2025 and to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) Significant changes in internal control over financial reporting during the year;

  (ii) That there are no significant changes in accounting policies during the year;

  (iii) That there are no instances of significant fraud of which we have become aware.

**Nirmal Jain**
Managing Director
DIN: 00010535

**R Venkataraman**
Joint Managing Director
DIN: 00011919

**Kapish Jain**
Chief Financial Officer

Place: Mumbai
Date: May 8, 2025

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## DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and the Senior Management and the same is available on the Company's website. I confirm that the Company has in respect of Financial Year ended March 31, 2025, received from the Board Members and Senior Management of the Company, declaration of compliance with the Code of Conduct as applicable to them.

**For IIFL Finance Limited**

**Arun Kumar Purwar**
Chairperson & Non-Executive Director
(DIN: 00026383)

Place: Mumbai
Date: May 8, 2025

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY

The global economic landscape continues to face significant headwinds, prompting a downward revision of growth projections. The International Monetary Fund (IMF) has lowered its global GDP growth forecast for 2025 to 2.8%, from an earlier estimate of 3.3% on account of persistent geopolitical tensions, tightening financial conditions, supply chain disruptions and tariff imposition leading to price wars. Rising trade tensions are expected to significantly dampen global trade activity. As per IMF's World Economic Outlook, global trade growth is projected to slow sharply from 3.8% in 2024 to just 1.7% in 2025. This decline reflects heightened trade policy uncertainty, which is affecting all countries by prompting businesses to scale back procurement and investment decisions, while financial institutions re-evaluate credit exposures.

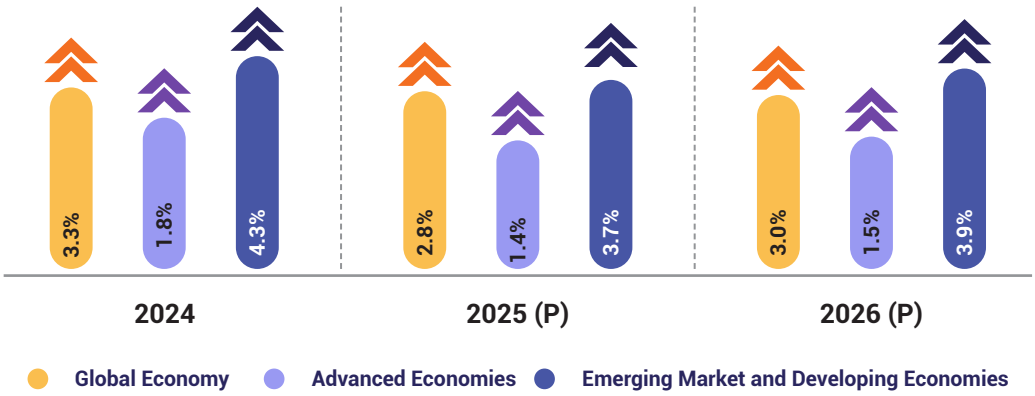
Although inflationary trends have begun to ease, headline inflation remains elevated averaging around 4.5% with underlying pressures from rising services costs and wage growth. These factors are collectively weighing on consumption, investment, and overall economic momentum, reinforcing a cautious and fragmented global landscape.

The U.S. economy is forecasted to grow at 1.8% in 2025, impacted by renewed trade tensions and tariff measures, while China's projected slowdown to 4% reflects continued challenges in export-led growth and its real estate sector.

India remains on a strong footing, with GDP growth projected at 6.5% in 2025, underpinned by resilient domestic consumption and sustained infrastructure investment. This favorable macroeconomic environment supports continued expansion in credit demand and fosters growth across key sectors including housing, MSMEs, renewable energy, logistics, and manufacturing.

To sum up the global economic scenario, the growth trajectory is expected to be moderate in 2025, with advanced economies projected to expand at a slower pace. Advanced economies are projected to grow at a subdued pace of 1.4% in 2025, down from 1.8% in 2024. Emerging Markets and Developing Economies (EMDEs) are expected to grow at 3.7% in 2025, compared to 4.3% in 2024. The outlook through 2025 indicates that central banks will adopt measured monetary policy decisions that will steer interest rates and investment patterns. The heightened uncertainty and tightening of financial conditions are expected to weigh on economic activity in the near term. On the flip side, it is that estimated the global growth prospects could strengthen significantly if economies adopt a more constructive and stable trade policy approach, restoring confidence among investors that would stimulate global economic expansion.

*Sources:*
*IMF - Press Briefing - Transcript - WEO, April 2025*
*IMF - WEO update - April 2025*
*Deloitte Insights - U.S tariff impacts on global economy*




## INDIAN ECONOMY

India has demonstrated remarkable resilience amid global headwinds in FY 2024–25, firmly retaining its position as the world's fifth-largest economy and continuing on a path of robust and inclusive growth. While advanced economies continued to face macroeconomic headwinds ranging from persistent inflation and tight monetary policies to geopolitical tensions and supply chain vulnerabilities, India remained resilient, charting a strong and steady growth trajectory. India recorded GDP growth of 6.5% for FY 2024-25. From an aggregate demand perspective, private final consumption expenditure grew 7.2% in FY 2024-25, driven by a revival in rural demand. On the supply side, real gross value added (GVA) grew by 6.4% in FY 2024-25. The services sector is expected to remain resilient, growing at 7.2%, driven by robust activity in financial services, real estate, professional services, public administration, defence, and other related sectors. The agriculture sector grew 4.6% in FY 2024-25, while the industrial sector grew by 5.9%, supported by strong performance in construction, electricity, gas, water supply, and other utility services.

# MANAGEMENT DISCUSSION AND ANALYSIS

**India on the global trade front:**

- India's total exports grew by 6.3% to reach a record US$ 824.9 Billion in FY 2024–25, up from US$ 778.1 Billion in FY 2023–24, as per data released by the RBI for March 2025.
- As of March 2025, India's gross Foreign Direct Investment (FDI) inflows for FY 2024–25 reached US$81 Billion, marking a 13.7% increase from the previous fiscal year.
- India's current account deficit (CAD) in Q3 FY2024-25 inched up to US$ 11.5 Billion from US$ 10.4 Billion in Q3 FY2023-24, remaining steady at 1.1% of GDP in both quarters. Notably, the deficit was lower than ICRA's projection of 1.4% of GDP for the period.
- As of April 4, 2025, India's foreign exchange reserves stood at US$ 676.3 Billion, offering an import cover of nearly 11 months and reflecting the strength of the external sector.

*Source:*
*https://www.pib.gov.in/PressReleaseIframePage.aspx-?PRID=2120509*
*India's net FDI slumps to $0.4 bln in FY25; Gross inflows rise, OFDI surges – RBI - CNBC TV18*
*ICRA, Outlook on Current Account Deficit*
*Press Release: Press Information Bureau*

**India's resilience: Navigating growth amid global uncertainty**

Despite a global economic slowdown amid high interest rates and geopolitical tension, India demonstrated resilience and stands strong as the world's fifth-largest economy. What cushions India against a moderated global growth outlook and a delayed synchronized recovery in industrial economies amid evolving trade and policy regulations, is the country's robust domestic consumption-led growth model. Unlike several major global economies that are more dependent on external demand, India's relatively self-reliant economic structure offers a shield against global headwinds. While economies such as China continue to face pressure from subdued export demand and domestic sectoral imbalances, India's internal demand dynamics provide greater stability and supports sustained growth momentum. The surge in capital flows from DIIs have helped to reduce the sensitivity of Indian capital markets to foreign capital volatility.

The long-term objective under "Viksit Bharat 2047" to transform India into a self-reliant and prosperous economy by 2047 and the focus on de-regulation and adapting to global shifts from the model of Globalization to "Geo-Economic Fragmentation" entails that India invigorates its domestic manufacturing and strengthens its SME sector. Structural reforms through initiatives such as Smart Advanced Manufacturing and Rapid Transformation Hub (SAMARTH) Udyog centers, 'Make in India' and 'Digital India' have further fortified domestic manufacturing, making it an attractive arena for foreign investment. The ease of doing business in India got fresh impetus by rationalizing regulatory burdens and promoting a more business-friendly environment. Boosting consumption through higher income tax exemption limit and implementing many structural reforms as presented in the Budget FY 2024-25, is expected to augment investments in critical sectors and maintain a stable macroeconomic environment conducive to robust and sustainable growth. According to the Ministry of Statistics and Programme Implementation (MoSPI), the combined (rural and urban) headline inflation stood at 3.16% in April 2025, down from 3.34% in March 2025.

In response to the sustained moderation in inflation, the Reserve Bank of India (RBI) implemented three consecutive repo rate cuts in 2025, totaling 100 basis points. The latest reduction occurred on June 6, bringing the repo rate down to 5.50%.

*Sources:*
*Economic Survey '24-'25*
*KPMG-Deciphering Economic Survey*
*Indian Economic Outlook-PIB*

**Real GDP growth**

India's economy maintained strong momentum in FY 2024–25, with Real GDP growing by 6.5% and Nominal GDP growing by 9.8%. This growth has been supported by structural policy initiatives such as the 'Make in India' campaign, Production-Linked Incentive (PLI) schemes, and targeted measures for MSMEs. Ongoing enhancements in logistics infrastructure and a more efficient tax regime have further catalyzed industrial activity and manufacturing competitiveness. Together, these factors are driving economic resilience and positioning India for sustained long-term growth despite external headwinds.

*Sources:*
(https://pib.gov.in/PressReleasePage.aspx?PRID=2106921#:~:-text=Real%20GDP%20or%20GDP%20at,9.2%25%20in%202023%2D24.)

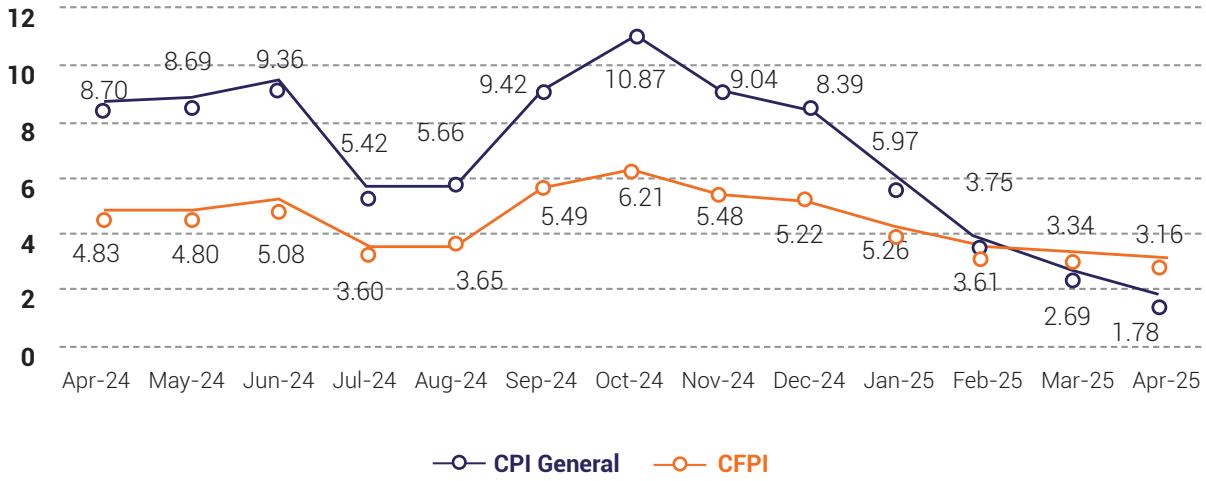
**Inflation**

Inflation plays a pivotal role in shaping the economic environment and directly impacts consumer spending behavior, lending monetary policy decisions. In FY 2024-25, India witnessed a significant easing in inflationary pressures, providing a favorable backdrop for economic activities and growth in financial services.

India's inflation trajectory has shown a consistent downward trend, with the Consumer Price Index (CPI) inflation rate decreasing to 3.16% in April 2025 from 3.34% in March, marking the first time in six months that it has fallen below 4%. This decline is largely attributed to easing food prices, particularly vegetables.

The moderation in India's retail inflation for April 2025 is largely attributed to a pronounced decline in food prices, which form a substantial portion of the Consumer Price Index (CPI) basket. Food inflation eased markedly to 1.78% from 2.69% in March, led by deflationary trends in key categories such as vegetables and pulses—most notably, vegetable inflation plummeted to -10.98% year-on-year. However, fuel and light inflation registered a notable uptick, rising to 2.92% in April 2025 from 1.42% in March, according to data from the Ministry of Statistics and Programme Implementation. Meanwhile, housing inflation edged up marginally to 3.00%, and inflation in miscellaneous goods remained stable at 5.02%. Despite sector-specific fluctuations, the broader inflation trajectory remains favorable, reinforcing macroeconomic stability.

**All India inflation rates for CPI (General) and Consumer Food Price Index (CFPI) (%)**




Looking ahead, the Reserve Bank of India projects inflation to stabilize at 4.0% for FY 2025-26. The Monetary Policy Committee (MPC) estimates inflation to be 3.6% in the first quarter, moderating to 3.9% in the second quarter, followed by 3.8% and 4.4% in the third and fourth quarters, respectively, of the financial year 2025-26. However, the inflation outlook remains susceptible to potential volatility stemming from global commodity price fluctuations, energy price swings, adverse weather conditions, and domestic supply chain disruptions.

*Sources:*

https://economictimes.indiatimes.com/news/economy/policy/rbi-mpc-meeting-inflation-forecast-india-rbi-governor-sanjay-malhotra-led-mpc-projects-inflation-at-4-2-for-fy26-check-full-forecast/articleshow/118000928.cms?from=mdr

https://www.moneycontrol.com/economic-indicators/india-inflation-rate-5128767

https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_12Mar25.pdf

MOSPI- CONSUMER PRICE INDEX NUMBERS FOR APRIL 2025

### Capital expenditure

The Indian government has reinforced its commitment to infrastructure-led growth by allocating ₹11.21 Lakh Crores for capital expenditure (Capex) in the FY 2025-26 budget, reflecting a 0.9% increase from FY 2024-25. This allocation constitutes 3.2% of GDP and accounts for approximately 22.1% of total government expenditure, signaling a balanced approach between infrastructure investments and stimulating consumption through tax relief measures. Key initiatives such as the National Infrastructure Pipeline (NIP) and National Monetization Pipeline (NMP) aim to attract private sector participation to meet the growing demands for infrastructure development. Additionally, ₹1.5 Lakh Crore has been allocated as interest-free loans to states for capital spending and reform incentives, further supporting localized infrastructure growth.

Significant progress has been made across transportation and aviation sectors. About 5,853 km of National Highways were constructed, while 2,031 km of railway network was commissioned between April and November 2024. In aviation, India's airport infrastructure has seen substantial capex over the past five years, achieving 91% of the targeted expenditure of over ₹ 91,000 Crores. The PM Gati Shakti initiative is integrating aviation with railways, roads, and waterways to enhance connectivity nationwide. Under the

# MANAGEMENT DISCUSSION AND ANALYSIS

regional connectivity scheme (UDAN), 619 routes connecting 88 airports, including 2 water aerodromes and 13 heliports, have been operationalized, demonstrating the government's focus on improving regional accessibility and connectivity.

*https://pib.gov.in/PressReleasePage.aspx?PRID=2097919*

*https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2098352*

Hindu Business Line- Aviation Capex

**First quarter**

The GDP growth rate in Q1 of FY 2024-25 stood at 6.5%, moderating from 9.7% in the corresponding quarter of the previous fiscal (Q1 FY 2023-24). Despite this slowdown, the industrial and services sectors exhibited robust growth of 8.4% and 6.8%, respectively. The deceleration was primarily driven by reduced government expenditure amid the 2024 general elections, weaker urban consumption, and sluggish rural demand. Nevertheless, India retained its position as the world's fastest-growing major economy during this period, outpacing China's GDP growth of 4.7% in the April-June quarter.

Press Release:Press Information Bureau
https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2050139

**Second quarter**

In Q2 of FY 2024-25, GDP growth stood at 5.6% year-over-year, significantly lower than the Reserve Bank of India's projection of 6.8%. On the expenditure side, a slowdown in exports and investment weighed on economic momentum. Geopolitical tensions and supply disruptions, particularly in the Red Sea region, continued to dampen exports, resulting in a modest expansion of 2.5%. While the industrial sector faced temporary disruptions due to the monsoon, rural consumption provided a silver lining with robust growth. Meanwhile, the services sector remained resilient, recording a 7.2% year-over-year growth. Additionally, the government managed to reduce the fiscal deficit by 10% compared to Q2 FY 2023-24.

https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2079024#:~:text=Nominal%20GDP%20or%20GDP%20at,a%20growth%20rate%20of%205.6%25

**Third quarter**

India's GDP expanded by 6.2% during Q3 FY 2024-25, accelerating from the 5.6% growth recorded in the previous quarter. The rebound in growth momentum was widely anticipated, as reflected in several high-frequency macroeconomic indicators, including higher GST collections, increased public spending, a rise in electricity generation, and a recovery in exports. The upturn was primarily driven by an 8.3% surge in government spending and a 6.9% increase in private final consumption expenditure, compared to 2.3% and 5.7%, respectively, in the same period last year. Additionally, exports registered a robust 10.4% growth in Q3 FY 2024-25, a sharp improvement from the 3% expansion recorded in the previous year.

https://www.thehindu.com/business/Economy/indias-gdp-grows-62-in-q3-economy-to-expand-at-65-in-fy25-govt-data/article69274816.ece

**Fourth quarter**

India recorded its strongest quarterly performance in Q4 FY 2024–25 with Q4 GDP growing 7.4% year-on-year depicting the highest quarterly growth of the year, according to the Ministry of Statistics and Programme Implementation.

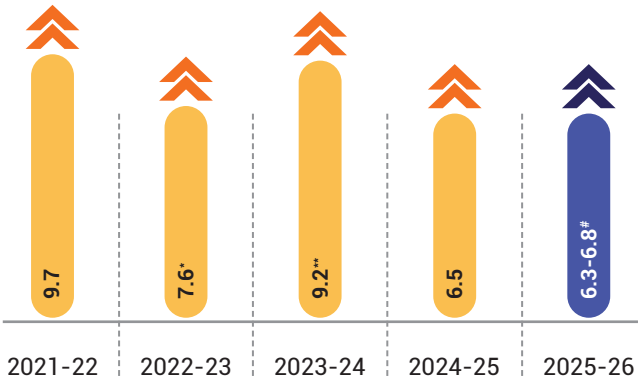
Growth was powered by three key domestic drivers: rising capital formation, a broad-based services revival, and stronger rural demand. Capital formation rose 9.4%, driven by a 10.8% surge in construction amid accelerating infrastructure execution. Services expanded across both public and private sectors, with financial and real estate segments growing 7.8% on the back of healthy credit offtake. Rural GVA rose 5.0%, supported by a strong rabi harvest and increased mining activity. This investment- and consumption-led momentum positions India to remain resilient amid global uncertainties.

**Outlook**

India is poised to ascend in the global economic hierarchy, with projections indicating it will become the fourth-largest economy by 2026 and the third-largest by 2028, surpassing Japan and Germany, respectively. This trajectory is underpinned by robust GDP growth forecasts and strategic economic reforms. According to RBI, India's economic outlook for FY 2025-26 remains positive, with GDP growth projected at 6.5% This expansion is supported by rising rural consumption, increased capital investment by the Government, and easing inflation, aided by a more accommodative monetary policy. The recent Union Budget introduced tax reforms and incentives for manufacturing and exports, aimed at stimulating economic activity. However, certain challenges persist, which includes evolving U.S. trade policies, global trade tensions, and geopolitical uncertainties that could impact exports and foreign investment. Despite these headwinds, India's economy is expected to sustain its growth momentum, driven by structural reforms and rapid digital transformation. Furthermore, the country's relatively lower dependence on external demand enhances its resilience amid global economic volatility.

https://www.pib.gov.in/PressReleaseIframePage.aspx-?PRID=2120509

**GDP growth** **At constant price, in (%)**




**1st Revised Estimates*

***Provisional Estimates*

*#Expected as per Economic Survey 2024-25*

## INDUSTRY OVERVIEW

### The NBFC industry

Non-Banking Financial Companies (NBFCs) have emerged as vital pillars of India's financial ecosystem, enabling credit access for a wide spectrum of borrowers—particularly Small and Medium Enterprises (SMEs) and financially underserved segments such as women and first-time home buyers. By facilitating the transition from informal borrowing channels to formal financial systems, NBFCs contribute meaningfully to financial inclusion. Over the years, the sector has witnessed remarkable growth, evolving into a dynamic force across segments like housing finance, consumer finance, and microfinance. Their extensive geographical reach, deep understanding of diverse financial needs, agile underwriting, and swift turnaround times position them as responsive and efficient lenders. Fueled by a growing middle class, expanding financial awareness, and supportive policy frameworks, NBFCs continue to play a pivotal role in advancing financial inclusion, driving MSME growth, and fostering self-employment across the country.

Over the past decade, the NBFC sector has recorded a healthy growth of approximately 14%, driven by its expanding role in bridging credit gaps across underserved segments. NBFCs have emerged as a key pillar of India's financial ecosystem, offering a diverse portfolio of products—including housing, vehicle, personal, and microfinance loans—tailored to the needs of rural populations and lower-income groups. The rapid adoption of digital technologies has further strengthened the sector, streamlining operations, enhancing customer experience, and widening access. Intuitive apps and online platforms have made financial services more convenient, inclusive, and accessible than ever before.

NBFCs have emerged as key drivers in enhancing credit penetration across India, particularly in regions and customer segments that remain beyond the extensive reach of traditional banks. By leveraging digital innovation, simplified underwriting processes, and customized financial products, NBFCs continue to bridge the credit gap, enabling inclusive growth and financial empowerment for underserved communities across the country.

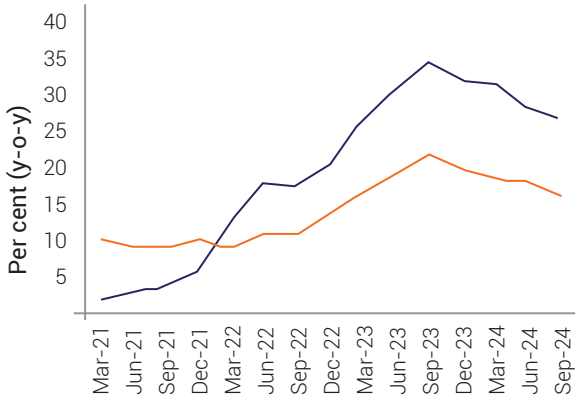
*Source: NBFCs continue to hold major share in retail loans despite liquidity crisis | NBFC News - Business Standard Bridging the Credit Gap: How NBFCs are Empowering MSMEs in India's Tier-2 and Tier-3 Cities, ET BFSI*

According to CRISIL Ratings, the NBFC sector is expected to register an AUM growth of 15–17% in FY 2024–25, surpassing the decadal average of ~14% and underscoring the sector's resilience. While this marks a moderation from the robust 23% growth seen in the previous fiscal, the outlook remains optimistic. The tempered pace is primarily attributed to three key factors: heightened concerns around household indebtedness and asset quality, particularly in segments like microfinance and unsecured loans; increased regulatory scrutiny focusing on customer protection, pricing transparency, and compliance; and varied access to diversified funding sources, especially amid a slowdown in bank lending. Despite these dynamics, the sector continues to demonstrate adaptability, with NBFCs recalibrating strategies to sustain growth and strengthen their operating frameworks.

As per the Reserve Bank of India sectoral deployment of credit data, bank credit growth to NBFCs moderated to 6.4% in October 2024, down from 18.3% Y-o-Y. Outstanding bank credit to NBFCs stood at ₹15.36 Trillion in October 2024, compared to ₹14.44 Trillion in the same month last year, at ₹15.29 Trillion in September 2024, and ₹15.48 Trillion in May 2024. RBI observed that NBFCs have diversified funding sources and reduced bank borrowings following the increase in risk weights. In November 2023, RBI hiked risk weights on NBFC exposures by 25% points to curb potential systemic risks. On a positive note, NBFCs' earnings remained robust, supported by healthy interest margins of 5.1% and a return on assets (RoA) of 2.9% as of September 2024.

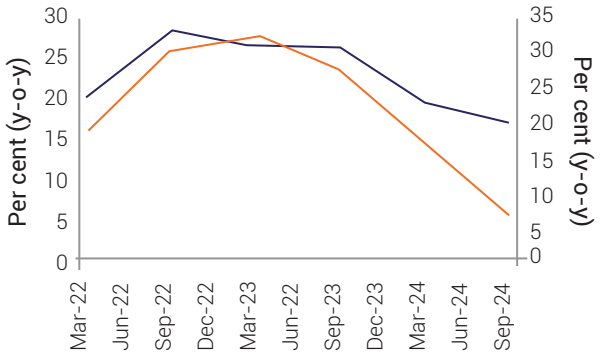
# MANAGEMENT DISCUSSION AND ANALYSIS

### NBFCs' loan growth




*Source: RBI supervisory returns and staff calculations.*

— Aggregate Loan Growth — Retail Loan Growth




*Sources: RBI supervisory returns and staff calculations.*

— Growth of Bank Borrowings in NBFCs Liabilities

— Growth in Bank Lending to NBFCs (RHS)

### Asset quality

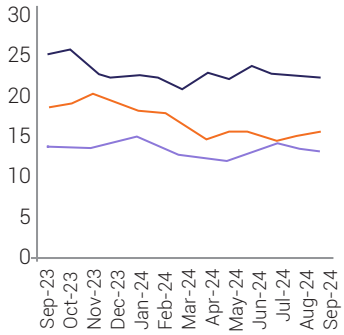
The asset quality of the NBFC sector remains healthy, supported by a strong capital position, with the Capital to Risk-Weighted Assets Ratio (CRAR) at 26.7% as of September 2024. The Gross Non-Performing Assets (GNPA) ratio improved to 3.4%, down from 4.6% in September 2023, reflecting better credit performance. Special Mention Accounts (SMA-1 and SMA-2), considered early indicators of stress, remained relatively low at 3.5%. However, there is a rising trend in loan write-offs, with a few outlier NBFCs contributing disproportionately to this increase.

The Financial Stability Report, December 2024, also highlights a nuanced picture of the asset quality and delinquency trends in consumer credit. While overall delinquency levels have remained stable for both banks and NBFCs, stress is mounting within the unsecured retail loan segment, particularly in personal loans and credit cards. There has been a noticeable decline in upgradation rates, alongside a rise in slippages from Special Mention Account-2 (SMA-2) to non-performing assets (NPAs), indicating increased movement of accounts from 61–90 days past due into the 90+ days past due category.

*https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/FSR30122024F992B788790C44DCFBA4E8C9F98D912D9.PDF*

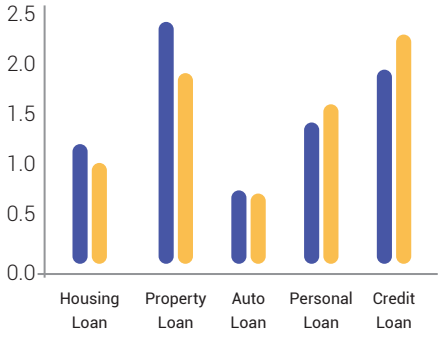
### Asset quality of retail loans

**a. Delinquency - Lender Type**



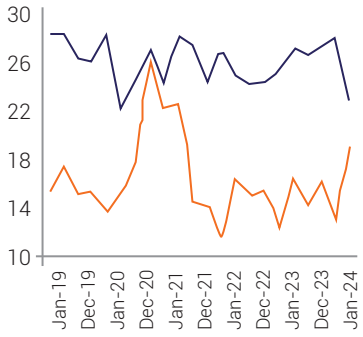

— PSB — PVB — NBFC+

**b. Delinquency Product Type**




● Sep-23 ● Sep-24

**c. Movement in SMA-2 Category**




— Roll Forward Rate: (61-90 dpd)

— Roll Back+ Cure Rate: (61-90 dpd)

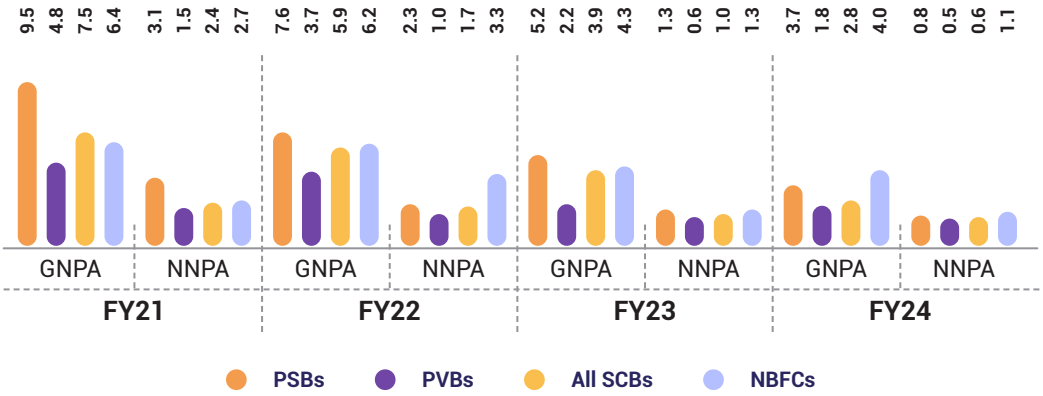
Notes: (1) Roll Forward rate is the percentage change (by amount) from SMA-2 category (61-90 dpd) in the current month, which moved to NPA category (90+dpd) in the next month (aggregated quarterly).

(2) Rollback + Cure rate is the percentage change (in amount) in SMA-2 category in the current month, which rolled back to SMA-1/SMA-0/0 dpd in the next month (aggregated quarterly).

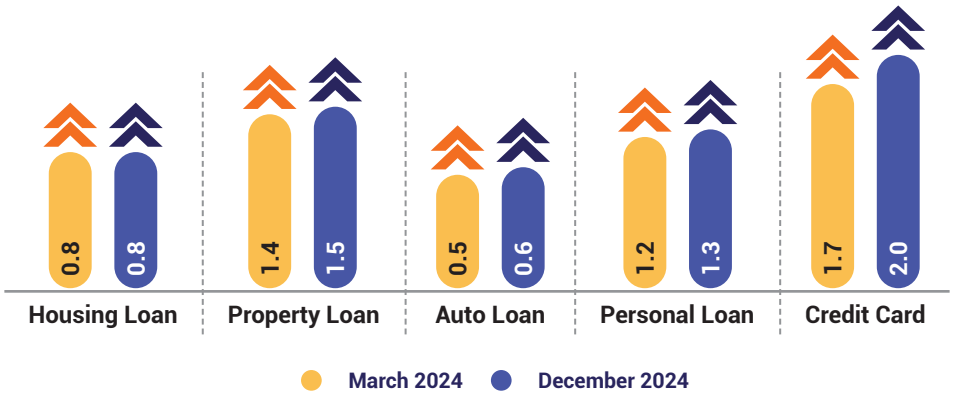
*Source: RBI Financial Stability Report, December 2024*

# MANAGEMENT DISCUSSION AND ANALYSIS

**Asset quality trends in India's Banking and NBFC sector** (%)

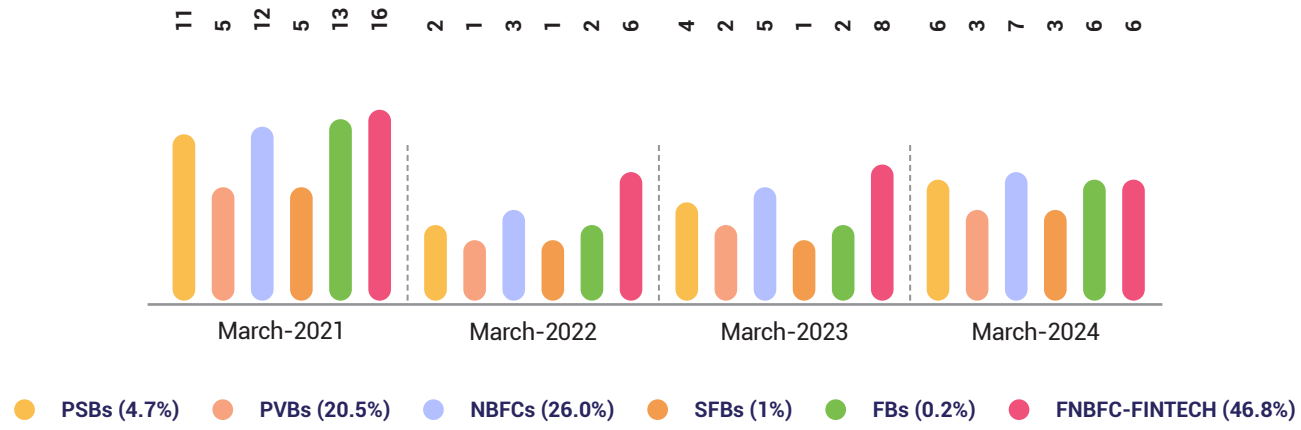



**Consumer credit – Delinquency level** (%)




Source: https://www.transunioncibil.com/content/dam/transunion-cibil/business/collateral/report/tucibil-cmi-report-march-2025.pdf

**Delinquency levels – Personal loans (below ₹ 50,000)** (%)



# MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity and Borrowing updates

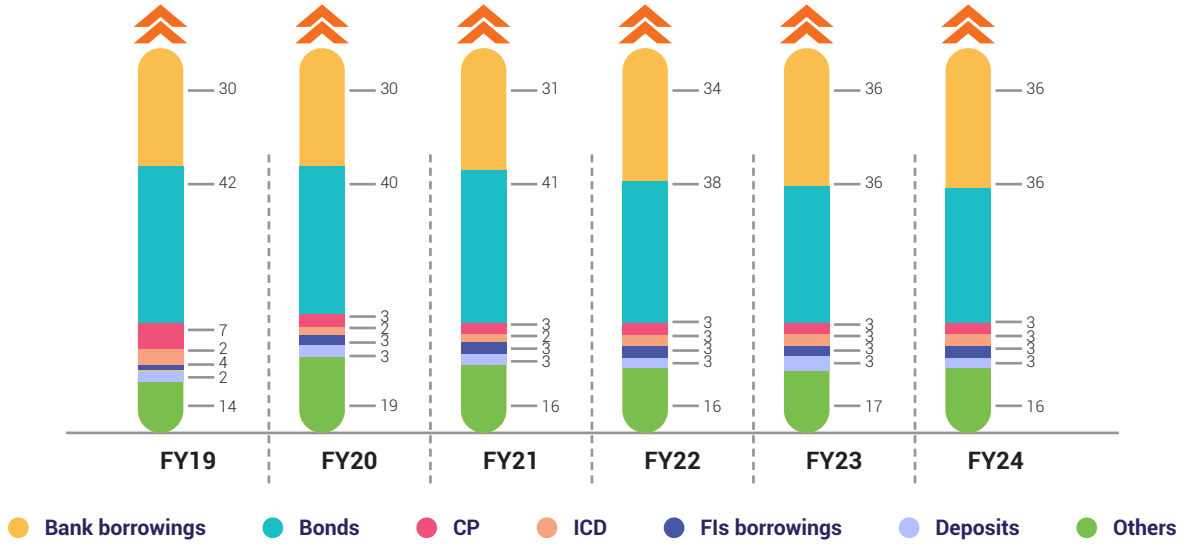
In FY 2024–25, India's NBFCs experienced significant shifts in their funding strategies due to regulatory adjustments and market dynamics. In November 2023, RBI raised risk weights on bank lending to NBFCs by 25 percentage points, citing rising inter-linkages as a potential systemic risk. This move led to a notable slowdown in credit growth to NBFCs, which dropped to 6.7% in December 2024 from 15% a year earlier. As a result, credit growth further moderated to 5.7% YoY in March 2025, down from 17.6% in October 2023.

To counter this, RBI reversed its decision in February 2025, restoring the earlier risk weights effective April 1, 2025, to revive bank funding to NBFCs. The adjustment is expected to improve the attractiveness of bank loans, encouraging NBFCs to gradually shift back from commercial papers over the next six to nine months.

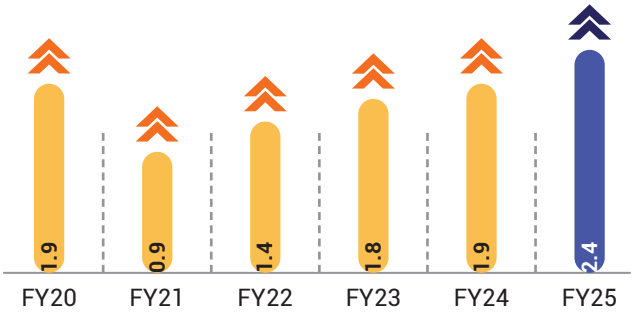
Concurrently, NBFCs increasingly turned to the corporate bond market for funding, with corporate bond issuances reaching a record high of over ₹ 10.66 Lakh Crores in 2024, driven significantly by NBFC participation.

In FY 2024-25, India's securitization market reached a record high of approximately ₹2.35 Lakh Crores, marking a 24% year-on-year growth. This surge was propelled by significant deals from private sector banks and consistent fund-raising efforts by NBFCs. The industry played a pivotal role, not only maintaining steady issuance volumes but also diversifying into newer asset classes and re-entering the market after periods of inactivity. Vehicle loans dominated the securitized assets, comprising 47% of the total volume, followed by mortgage-backed loans at around 22%. The market also witnessed increased participation, with 175 originators in FY 2024-25 compared to 165 in the previous year, indicating a broadening base and growing confidence in securitization as a viable funding mechanism for NBFCs.

**Liability mix of NBFCs** (%)




**Securitization volume** (₹ Lakh Crores)




*Source:*

Securitization soars to a new high of ~₹ 2.35 Lakh Crores in fiscal 2025

RBI moves to boost credit flow to NBFCs, cuts risk weight on loans | Business News - The Indian Express

Corporate bond issuances touch all-time high of over ₹10 Lakhs Crores so far in 2024

RBI lowers risk weight on bank finance to NBFC, microfinance loans - The Economic Times

*https://www.business-standard.com/finance/news/nbfc-funding-strategy-rbi-regulations-bank-loans-2025-125031100586_1.html*

## Outlook for NBFCs

NBFCs are set to become key enablers of India's economic progress by extending access to formal credit in traditionally underserved segments, aligning with the country's goals. In a landscape where customer demands are evolving and digital-first models are gaining ground, incumbent NBFCs must reimagine their operational frameworks, while new players need to carefully evaluate their entry strategies. As lending activities scale, it becomes imperative for these institutions to strengthen their risk management practices and governance structures.

Asset growth of NBFCs is projected at 15-17% year-on-year for FY 2024–25 and FY 2025-26, according to CRISIL Ratings. Moreover, RBI is also taking measures to uplift the sector through reduction of risk weights on bank lending to NBFCs, which is expected to enhance funding access. Additionally, the sector is likely to benefit from easing liquidity conditions and potential interest rate cuts, which could support net interest margins and return on assets of NBFCs. However, challenges such as asset quality concerns in microfinance and unsecured lending segments remain monitorable. Overall, NBFCs are anticipated to experience stable asset quality and sustained earnings growth, positioning them favorably in India's evolving financial landscape.

### PESTEL Analysis for NBFC sector in India

### Political

**Financial inclusion programs:** Government schemes like Pradhan Mantri Jan Dhan Yojana (PMJDY) and Mudra Yojana, which are designed to promote financial inclusion, have benefited the NBFC sector. These schemes have increased the number of bank accounts and provided access to credit for underserved segments, making NBFCs an important partner in delivering financial services to these groups. Additionally, policy support for affordable housing is also helping to improve house affordability for a large segment of the population.

**Liquidity support:** The government has introduced various measures to provide liquidity support to NBFCs, including credit guarantee schemes and refinance facilities. These measures help NBFCs navigate challenging situations and maintain their financial stability, allowing them to continue providing credit to various sectors.

**Encouraging Co-Lending Models (CLM):** RBI has also promoted co-lending partnerships between banks and NBFCs to improve credit flow to priority sectors such as MSMEs and affordable housing.

### Economic

**Initiation of rate cuts:** In early 2025, the RBI began a monetary easing cycle after nearly five years, cutting the repo rate by 25 bps in February to 6.25%, followed by another 25 bps cut in April to 6.00% and another 50 bps cut in June 2025 to 5.50%. The policy stance shifted from "accommodative" to "neutral".

**Inflation stability reinforcing credit momentum:** The sustained moderation in retail inflation—declining to 3.34% in March 2025—has reinforced macroeconomic stability and improved consumer sentiment. This favorable inflation trajectory is contributing to a more supportive credit environment, encouraging both retail and small business borrowers to accelerate credit uptake. With cost pressures easing and purchasing power improving, loan demand is expected to improve, particularly in segments such as home loans, personal finance, and MSME lending—benefiting NBFCs positioned to cater to these rising financing needs.

**Augmenting system liquidity:** To ensure effective monetary transmission and ease funding pressures across the financial ecosystem, including NBFCs, the Reserve Bank of India rolled out key liquidity support measures in 2025. RBI has announced ₹1.25 Trillion worth of government bond purchases through Open Market Operations (OMOs) in May 2025, aimed at easing market borrowing costs and strengthening systemic liquidity. Further, a US$10 Billion USD/INR buy/sell forex swap auction was conducted in February with a three-year tenor to infuse durable rupee liquidity, thereby supporting long-term funding access for NBFCs and other financial intermediaries.

### Social

**Rural penetration and financial inclusion:** A significant portion of India's population resides in rural areas, where access to formal banking services remains limited. NBFCs bridge this gap by extending microfinance, agricultural loans, and other credit facilities to rural households and entrepreneurs, thereby promoting financial inclusion and supporting rural economic development.

**Expanding middle class and rising aspirations:** India's burgeoning middle class, characterized by increasing disposable incomes and evolving consumption patterns, has amplified demand for diverse credit products. NBFCs adeptly cater to this segment by offering tailored financial solutions, including personal loans, vehicle financing, and consumer durables loans, thereby facilitating lifestyle enhancements and economic mobility.

**Empowerment of women and youth:** NBFCs play a pivotal role in empowering women and youth by providing them with access to credit for education, entrepreneurship, and personal development. Through customized loan products and financial literacy programs, NBFCs enable

# MANAGEMENT DISCUSSION AND ANALYSIS

these demographics to participate actively in the economy, fostering inclusive growth.

### Technology

**AI-Driven credit assessment and risk management:** NBFCs are increasingly leveraging Artificial Intelligence (AI) and Machine Learning (ML) to enhance credit risk assessment and underwriting processes. These technologies enable the analysis of alternative data sources, such as transaction histories and social media activity, allowing for more accurate credit scoring, especially for new-to-credit customers. This approach facilitates faster loan approvals and reduces default rates.

**Expansion of digital lending platforms:** The digital lending landscape is rapidly evolving, with NBFCs adopting end-to-end digital platforms to streamline loan origination, disbursement, and repayment processes. This shift enhances customer experience by offering quick, paperless, and hassle-free loan services, thereby increasing outreach, particularly in semi-urban and rural areas.

**Implementation of Unified Lending Interface (ULI):** RBI is introducing the ULI, a digital platform aimed at expediting credit delivery to small and rural borrowers. ULI facilitates the seamless flow of digital information, such as land records and KYC data, to lenders, thereby reducing loan processing times and enhancing financial inclusion.

### Environmental

**Green finance momentum and market expansion:** India's green finance market is gaining steady momentum, driven by rising investor interest, supportive regulatory frameworks, and the country's long-term net-zero target. With green bonds, sustainability-linked loans, and ESG funds becoming more mainstream, financial institutions—including NBFCs—have the opportunity to diversify portfolios while supporting environmentally sustainable sectors. This evolving landscape encourages capital flow into clean energy, green mobility, and low-carbon infrastructure, offering NBFCs a compelling growth avenue.

**Introduction of green loan products:** Green loan products are specialized credit instruments designed to finance environmentally sustainable projects. These loans support initiatives such as renewable energy installations, electric vehicles, energy-efficient housing, waste management systems, and sustainable agriculture. In India, NBFCs are increasingly developing and promoting green loans to align with national climate goals and cater to the growing demand for eco-conscious financing.

**Energy efficiency and sustainability focus:** NBFCs are actively adopting energy-efficient measures such as rooftop solar panels, passive cooling systems, and LED lighting to reduce operational energy use. These initiatives reflect the sector's growing commitment to sustainability and alignment with India's climate goals.

### Legal

**Revised risk weights and capital treatment norms:** RBI has made amendments to the treatment of certain exposures under capital adequacy norms. Notably, changes include the treatment of Right-of-Use (ROU) assets and recalibration of risk weights for exposures to commercial real estate. These revisions are aimed at aligning prudential norms with emerging business models and accounting standards.

**Cyber resilience and payment security:** In light of increasing digital exposure, RBI has introduced guidelines specifically for non-bank entities (including NBFCs and PSOs) to adopt strong cyber resilience frameworks. This includes a mandatory Cyber Crisis Management Plan (CCMP) for prompt response to cyber threats.

**Draft Co-Lending Framework 2.0:** RBI has released draft directions for Co-Lending Arrangements (CLAs) in 2025, aiming to directly regulate co-lending agreements between regulated entities. This framework seeks to streamline co-lending practices and ensure better risk management in joint lending ventures.

### Housing Finance

India's housing finance sector has been on an upward trajectory, with the outstanding individual housing loan portfolio touching ₹33 Trillion by March 2024, registering a healthy CAGR of nearly 13% over the past six years. Public sector banks remain the frontrunners, commanding 40% of the market, followed by private banks at 34.5%, and Housing Finance Companies (HFCs) contributing around 19%. This sustained momentum is driven by a mix of structural and policy-led enablers—rising affordability, rapid urbanization, growing preference for nuclear family setups, and flagship schemes like 'Housing for All'.

The residential real estate market has also mirrored this momentum, recording a remarkable 74% surge in home sales since 2019, with 460,000 units sold in 2024 alone—a clear indication of persistent end-user confidence. HFCs have primarily concentrated on smaller, retail-focused loans, with those under ₹30 Lakhs forming 53% of their total AUM as of March 2024. Asset quality within the segment has witnessed meaningful improvement, with Gross NPAs reducing to 2.2% by March 2024, from a high of 4.3% two years prior. Profitability, too, has normalized to pre-COVID levels, supported by lower credit costs and expanding spreads.

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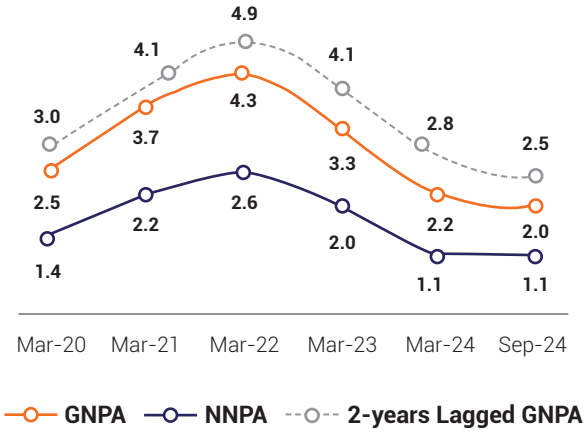
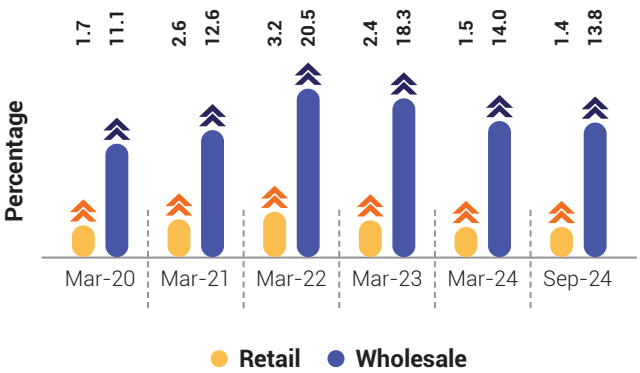
**Segment wise retail GNPA**




*Source: CareEdge*

*RatingsRetail vs wholesale GNPA*

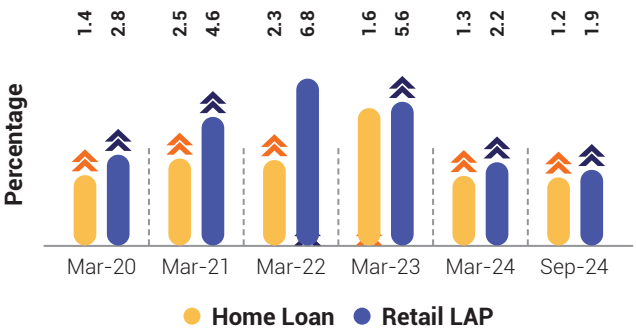
**Retail Vs Wholesale GNPA**




*Source: CareEdge*

*Segment wise retail GNPA*

**Overall asset quality of HFCs**




*Source: CareEdge Ratings*

*Sources for HFC:*

*Textile market report - HFC market to double in 6 years*

*Mint.com- Emerging Housing Finance market*

*Housing finance market to grow at 15-16% CAGR through 2029-30: CareEdge*

### Key government initiatives

The Government of India has implemented a range of policy initiatives to boost the housing finance sector, with a focus on affordability and accessibility. Flagship schemes like PMAY, interest subsidies, and infrastructure status for affordable housing have collectively enhanced credit flow and supported inclusive urban development. Following are the key policies addressing the challenges of the housing sector in India.

### Pradhan Mantri Awas Yojana (PMAY)

Pradhan Mantri Awas Yojana is a flagship housing initiative launched by the Government of India with the vision of 'Housing for All'. Aimed at providing affordable housing to economically weaker sections, low-income groups, and middle-income families, the scheme offers financial assistance and interest subsidies for building, purchasing, or renovating homes. Implemented in both urban and rural areas. In the Union Budget 2025–26, the government proposed an allocation of ₹19,794 Crores for its flagship affordable housing scheme, Pradhan Mantri Awas Yojana. This marks a 36% increase in funding for the PMAY-Urban component compared to the revised estimate of ₹13,670 Crores for FY 2024-25 in the previous July Budget.

*https://www.cnbctv18.com/budget/budget-2025-pmay-low-cost-housing-scheme-outlay-19550789.htm*

### SWAMIH FUND 2

The Special Window for Affordable and Mid-Income Housing Investment Fund II (SWAMIH Fund 2) is a ₹15,000 Crores initiative launched by the Government of India in February 2025 to address the issue of stalled housing projects across

# MANAGEMENT DISCUSSION AND ANALYSIS

the country. Building upon the success of the initial SWAMIH Fund established in 2019, which completed over 50,000 housing units and aimed to finish an additional 40,000 by 2025, SWAMIH Fund 2 seeks to expedite the completion of approximately 1 Lakh more housing units. This fund operates as a blended finance facility with contributions from the government, banks, and private investors.

https://www.cnbctv18.com/real-estate/govt-announces-swamih-fund-2-for-stalled-housing-projects-19550820.htm

https://www.business-standard.com/industry/news/swamih-touches-50-000-mark-fm-sitharaman-hands-over-keys-to-homebuyers-125021701092_1.html

### Interest Subsidy Scheme (ISS) erstwhile Credit Linked Subsidy Scheme (CLSS)

The Interest Subsidy Scheme (erstwhile Credit Linked Subsidy Scheme or CLSS) offers interest rate subsidies of up to ₹ 1.8 Million to first-time homebuyers, enhancing affordability and encouraging homeownership among low and middle-income families.

The scheme has also been expanded to include middle-income groups, providing subsidies on home loans for properties priced below ₹ 40 Lakhs — making housing more accessible and affordable for a broader section of society.

https://www.moneycontrol.com/news/business/real-estate/government-announces-swamih-fund-2-0-of-rs-15-000-Crores-for-completion-of-1-Lakhs-units-in-union-budget-2025-12926516.html

### National Housing Bank (NHB)

NHB plays a critical role in strengthening India's housing finance ecosystem by providing both financial and developmental support to HFCs. One of NHB's key functions is to offer refinancing facilities to HFCs, which helps them maintain liquidity and expand their lending capacity, particularly in the affordable housing segment. By refinancing loans extended by HFCs to borrowers, NHB ensures a steady flow of credit to the housing sector.

### Housing and Urban Development Corporation (HUDCO)

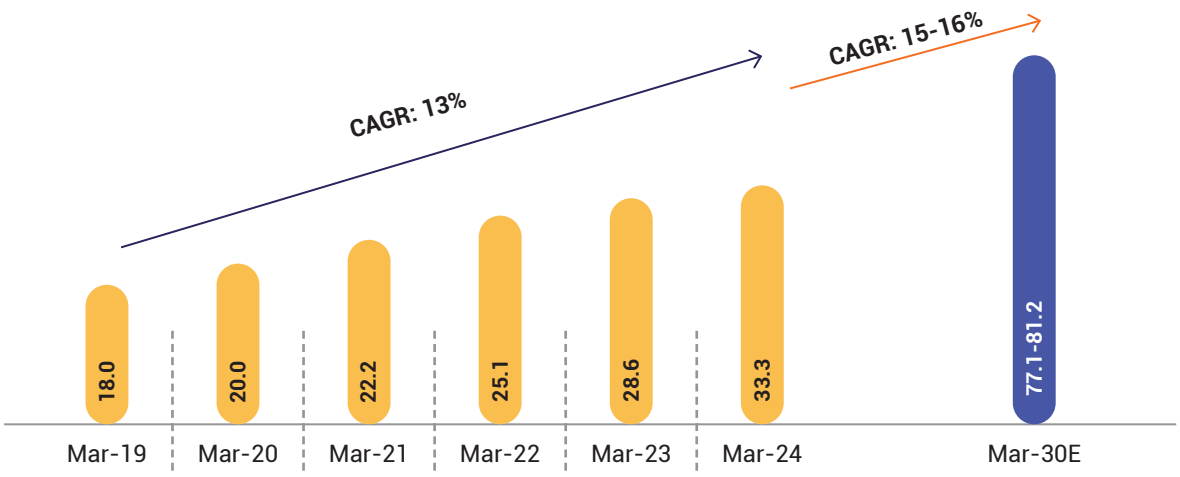
HUDCO supports the housing finance ecosystem in India by providing long-term finance and technical assistance to various stakeholders, including Housing Finance Companies (HFCs), state governments, and urban local bodies. HUDCO plays a key role in promoting affordable housing and infrastructure development, particularly in underserved regions. HUDCO offers project-based lending for affordable housing projects, extending financial assistance for land acquisition, construction, and basic civic amenities.

### Outlook

The Indian housing finance sector is poised for strong growth, with the market projected to expand at a CAGR of 15–16% between FY25 and FY30, potentially doubling to ₹77–81 Trillion by 2030. Favorable policies and macroeconomic stability continue to make housing finance a scalable and attractive lending segment.

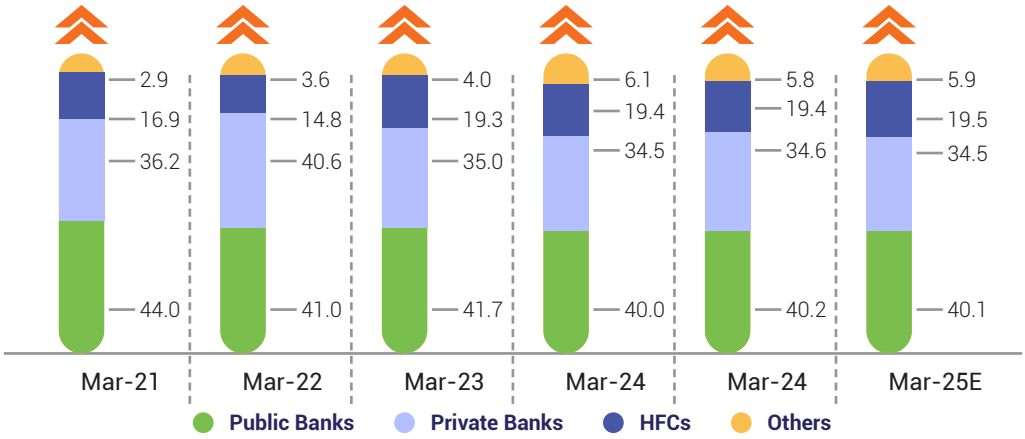
Banks are expected to maintain dominance due to low-cost funding and wide reach, while HFCs will sustain their niche through customized offerings and focus on underserved regions, particularly in tier 2 and below cities. As premiumization drives demand for ₹30–50 Lakhs loans, HFCs are adjusting their portfolio accordingly. Backed by structural tailwinds and proactive reforms, the sector is well-positioned for transformative expansion.

**Outstanding housing loans (HL) market size**




*Source: CareEdge Ratings*

**Player-wise housing loan market share**




*Source: CareEdge Ratings*

### Gold loans

The gold loan segment has evolved into a critical component of India's retail lending landscape, underpinned by the country's cultural and economic reliance on gold as a store of value. With vast household holdings of gold—estimated to be among the highest globally—this asset has increasingly served as an accessible source of credit, especially during periods of financial stress or liquidity constraints.

In recent years, the growth of the gold loan market has been supported by rising gold prices, greater financial awareness, and expanding digital infrastructure. Both Banks and NBFCs, along with specialized gold loan institutions, have increased their focus on this segment, attracted by its low default rates and strong collateral backing. As a result, the gold loan segment continues to play a pivotal role in promoting financial inclusion and supporting credit penetration across underserved segments of the Indian economy.

As of March 2025, the gold loan portfolio of banks (excluding agricultural gold loans) registered a sharp year-on-year growth of 103%, driven by a cautious slowdown in retail credit to bottom-of-the-pyramid customers amid asset quality concerns in the microfinance sector. NBFCs' share in the overall gold loan market has also risen, expanding from approximately 6% in FY 2020-21 to nearly 8% in FY2024-25. This surge was particularly notable when compared to the significant slowdown witnessed in other segments such as unsecured personal loans and microfinance. The increased traction in gold loans can be attributed to their secured nature, relatively lower credit risk, and ease of access, especially for borrowers in semi-urban and rural regions.

NBFCs and Banks are experiencing a surge in demand for gold loans, capitalizing on the metal's inherent value and liquidity. According to The Rise of India's Gold Loan Market report, the organized market for gold loans was valued at ₹ 7.1 Lakh Crores in FY 2023-24. India's gold loan segment experienced remarkable growth, emerging as the fastest-growing component within the personal lending sector. As of December 27, 2024, the total gold loan portfolio held by banks surged to ₹ 1.7 Lakh Crores, marking a 71% year-on-year increase and a 68.3% rise within the financial year. This surge in gold loans can be attributed to several factors, including the ease of obtaining loans against gold, higher loan amounts due to increased gold prices, and a shift in investment preferences amid fluctuating equity markets.

However, this rapid expansion has raised concerns regarding asset quality. In response to this RBI has proposed stricter regulations to enhance risk management in gold loan processes.

### Proposed RBI Gold Loan Regulation

In April 2025, the Reserve Bank of India released a comprehensive draft framework aimed at harmonizing the regulatory norms for lending against gold collateral across all regulated entities, including banks and NBFCs. The directions seek to enhance transparency, borrower protection, and risk management in the gold loan segment.

Key provisions include a uniform Loan-to-Value (LTV) ceiling of 75%, applicable throughout the loan tenure including accrued interest. There are also restrictions on renewals and a requirement for 1% additional provisioning in the event of an LTV breach. The guidelines prescribe standardized procedures for assaying and valuation based on 22-carat gold pricing and clear categorization of loans into consumption and income-generating types. For income-generating loans, quantum and tenor must be determined based on expected cash flows, not merely collateral value, while consumption-based bullet loans are capped at a 12-month tenure.

Further, the directions impose limits on collateral quantity (1 kg for gold ornaments; 50 gm for specified gold coins)

# MANAGEMENT DISCUSSION AND ANALYSIS

and mandate prompt release of pledged gold within seven working days of loan closure. Additionally, top-ups and renewals are permitted only for standard accounts, and only after a fresh credit appraisal that includes assessment of income, repayment capacity, and end-use verification.

The draft also emphasizes enhanced conduct standards, including borrower communication in regional languages, transparent auction processes with reserve price safeguards, and strong internal audit controls to deter operational misuse. These proposals reflect RBI's intent to balance prudential oversight with customer-centric practices in a segment marked by growing demand and systemic relevance.

https://timesofindia.indiatimes.com/business/india-business/gold-loan-fastest-growing-segment/articleshow/117897102.cms

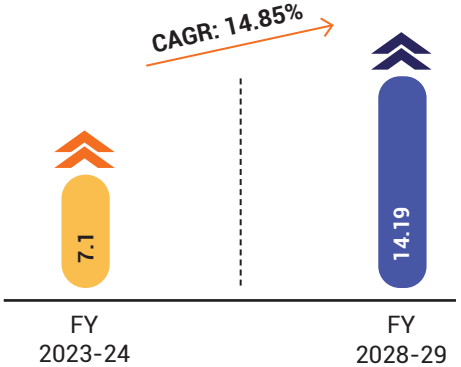
### Outlook

The gold loan segment is expected to witness sustained growth over the near to medium term, underpinned by strong demand for quick, secured credit and the continued preference for gold as a reliable financial asset. Favorable factors such as increasing rural credit requirements and greater formalization of the lending ecosystem are likely to support higher disbursements. Both banks and NBFCs are deepening their presence in this space, leveraging digital platforms to enhance operational efficiency and expand customer reach. The segment is projected to grow to ₹14.19 Lakh Crores by FY 2028–29, reflecting a robust CAGR of 14.85%. This momentum aligns with broader trends in the financial services sector, where lenders are actively scaling their gold loan portfolios to meet growing consumer demand.

*https://www.businesstoday.in/personal-finance/investment/story/gold-loans-how-can-lenders-get-loans-from-banks-nbfcs-466702-2025-03-04*

https://economictimes.indiatimes.com/wealth/borrow/thinking-of-taking-a-gold-loan-as-prices-soar-dont-ignore-impact-of-gold-price-fall-in-future-check-these-pitfalls-while-taking-loan-against-gold/articleshow/119015847.cms?from=mdr

**Projected gold loans market size** (₹ in Lakh Crores)




### MSME

The Micro, Small and Medium Enterprises (MSME) sector forms the backbone of the Indian economy, playing a pivotal role in employment generation, industrial output, and exports. Encompassing a wide range of industries across manufacturing, services, and trade, the sector contributes nearly 30% to India's GDP and accounts for about 45% of total exports. With over 6 Crores enterprises operating across the country, MSMEs are instrumental in driving inclusive growth, fostering entrepreneurship, and supporting regional development. In recent years, policy reforms, digital transformation, and increased access to finance have further strengthened the sector's potential, positioning it as a key engine for sustainable economic growth and resilience.

https://www.drishtiias.com/current-affairs-news-analysis-editorials/news-editorials/06-02-2025#:~:text=With%20rising%20formalization%20through%20the,and%2045%25%20of%20manufacturing%20output

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2099687#:~:text=Exports%20from%20MSMEs%20have%20seen,%2C73%2C350%20in%202024%2D25

The Ministry of Micro, Small and Medium Enterprises reported that as of May 2025, India had approximately 6.39 Crores MSMEs, employing around 27.54 Crores individuals as registered on the Udyam Registration Portal and Udyam Assist Platform (UAP). Recognising the critical role of MSMEs in driving economic growth, employment, and entrepreneurship, the Government of India has introduced various initiatives to strengthen the sector. Key programs such as the Udyam Registration Portal, PM Vishwakarma Scheme, Prime Minister's Employment Generation Programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and the Public Procurement Policy for MSEs aim to formalize informal businesses, promote innovation, and create sustainable livelihoods.

*https://dashboard.msme.gov.in/dashboard.aspx/msme_sambandh.aspx*

The sector faces a significant credit gap, with only about 14% of MSMEs having access to formal credit channels. This limited penetration is underscored by the RBI estimate of a credit shortfall ranging between ₹20 to ₹25 Lakh Crores. Addressing this gap is crucial for the sector's growth and the broader economic development of the country. Recognising this, the Government has undertaken several

initiatives to improve credit accessibility. Notably, under the Pradhan Mantri Mudra Yojana (PMMY), loans amounting to ₹ 2.57 Lakh Crores (US$30.84 Billion) were sanctioned up to November 2024, benefiting 2.6 Crores non-corporate and non-farm micro and small enterprises in FY 2024–25. Furthermore, a ₹1 Lakh Crores (US$11.99 Billion) corpus—comprising 50-year interest-free loans—was announced in the interim budget for FY 2024–25 to catalyse long-term capital investments and enhance productive capacity across key sectors.

Traditional banking institutions often impose stringent collateral and documentation requirements, which many MSMEs find challenging to meet. NBFCs address these challenges by offering tailored financial products with more flexible terms, thereby enhancing credit accessibility for these enterprises. A notable strategy employed by NBFCs is the utilization of alternative credit assessment models. By evaluating factors such as business cash flows and transaction histories, NBFCs can extend credit to MSMEs that may lack extensive credit histories or substantial assets.

https://www.credable.in/insights-by-credable/business-insights/credit-for-the-underserved-addressing-the-massive-dollar-five-hundred-thirty-billion-msme-credit-gap/

https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2001123

https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2038542

Exports from the MSME sector have witnessed a significant rise, growing from ₹3.95 Lakh Crores in 2020–21 to ₹12.39 Lakh Crores in 2024–25. In a continued effort to empower the sector, the Union Budget 2025–26 announced a series of measures focused on enhancing credit access, supporting first-time entrepreneurs, and encouraging labour-intensive industries. Notably, the Government has expanded the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) by doubling the guarantee coverage limit from ₹5 Crores to ₹10 Crores. This enhancement is expected to unlock an additional ₹1.5 Lakh Crores in credit over the next five years. Special benefits have been introduced for women-led enterprises, with the extent of guarantee coverage increased from 85% to 90%. Under the Credit Guarantee Fund for Micro Units (CGFMU), micro-enterprises and borrowers under the Pradhan Mantri MUDRA Yojana continue to benefit from collateral-free loans of up to ₹10 Lakhs. The scheme now also covers the new 'Tarun Plus' category, allowing eligible borrowers who have successfully repaid previous loans to access funding between ₹10 Lakhs and ₹20 Lakhs. Additionally, the Government enhanced the credit guarantee cover for micro and small enterprises. Start-ups can now access an increased guaranteed limit of ₹20 Crores, along with a reduced 1% fee for loans across 27 priority sectors. Exporter MSMEs have been granted access to term loans up to ₹20 Crores under an expanded guaranteed framework, while a new scheme under the Stand-Up India initiative will extend term loans of up to ₹2 Crores to 5 Lakhs first-time women, SC, and ST entrepreneurs. These concerted efforts reaffirm the government's commitment to fostering inclusive and resilient growth in the MSME sector.

These credit guarantee schemes align with the Reserve Bank of India's guidelines on Priority Sector Lending (PSL), ensuring that eligible loans under these schemes are classified accordingly. This classification mandates financial institutions to allocate a specified portion of their lending portfolio towards such sectors, thereby enhancing credit availability to MSMEs and supporting inclusive economic growth.

The revised PSL guidelines effective April 1, 2025, further strengthen this framework through several progressive measures. The scope of PSL has been expanded to include renewable energy and weaker sections, and loan limits have been increased for segments such as housing and renewable energy to accommodate larger, impactful projects. Urban Cooperative Banks' PSL targets have also been raised to 60% of Adjusted Net Bank Credit, aligning cooperative lending practices with broader developmental priorities.

To promote collateral-free access to credit, the RBI's Public Tech Platform for Frictionless Credit (PTPFC) has facilitated disbursement of ₹3,640 Crores in MSME loans as of March 31, 2024. Additionally, the Government has mandated simplified working capital assessment norms for MSEs—requiring at least 20% of projected annual turnover to be considered as the working capital need for loans up to ₹5 Crores. These collective initiatives underscore the regulatory intent to bolster credit flow to underserved sectors through both technology and policy reforms.

*https://pib.gov.in/PressReleasePage.aspx-?PRID=2099687#:~:text=Exports%20from%20MSMEs%20have%20seen,%2C73%2C350%20in%202024%2D25.*

**Outlook**

The MSME sector in India is poised for significant growth, bolstered by supportive government policies and a resilient entrepreneurial spirit. The Union Budget 2025–26 has introduced several measures aimed at enhancing the sector's competitiveness, including revised classification criteria that raise investment and turnover limits, thereby enabling more businesses to benefit from MSME-specific schemes. MSMEs are increasingly focusing on

# MANAGEMENT DISCUSSION AND ANALYSIS

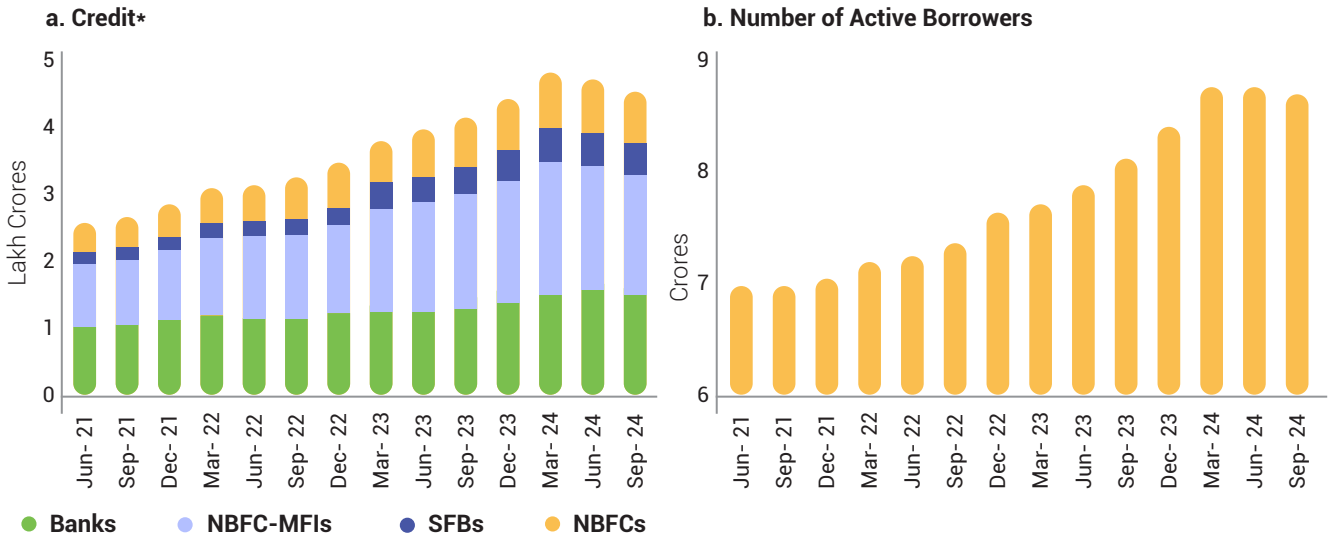
sustainability and technological integration. Investments in green technologies and digital transformation are becoming priorities, positioning the sector to meet evolving market demands and environmental standards.

### Micro Finance sector

The microfinance sector in India has emerged as a pivotal instrument for promoting financial inclusion, offering essential financial services to underserved and economically disadvantaged segments of society. Over the past few decades, the sector has witnessed substantial growth, driven by regulatory reforms, technological advancements, and targeted government initiatives aimed at extending credit to millions of previously unbanked households. Notably, the industry has scaled up significantly over the last decade, with the total Gross Loan Portfolio (GLP) expanding from ₹0.4 Lakh Crores in 2015 to ₹ 3.9 Lakh Crores as of December 2024. Concurrently, the number of borrowers served has grown from 35 Million in FY 2017-18 to 146 Million as of FY 2024-25. This expansion underscores the sector's critical role in fostering entrepreneurship, alleviating poverty, and empowering women across the nation.

As of December 2024, India's microfinance sector demonstrated resilience amid evolving market dynamics. The Gross Loan Portfolio (GLP) stood at ₹3.85 Lakh Crores reflecting a marginal 3.5% dip year-on-year, driven by a strategic recalibration in funding flows and tighter credit underwriting to enhance long-term sustainability. While the number of active loan accounts moderated to 139 Million from 146 Million, this was accompanied by a notable rise in the average loan size to ₹53,350 from ₹47,374, highlighting a shift toward more meaningful credit deployment per borrower. The proportion of loans overdue between 31 to 180 days rose sharply to 6.4% in December 2024, compared to 2% in December 2023, signalling a deterioration in asset quality. To curb these overleveraging concerns, MFIN, the sector self-regulatory organization (SRO) has proposed a series of measures like reducing lenders per borrower to three (effective from April 2025), capping total borrower indebtedness at ₹ 2 Lakhs (including unsecured retail loans), not lending to customers being delinquent for 60 days or more, etc. However, there are green shoots with incremental collection efficiencies of non-delinquent customers improving towards the end of FY 2024-25 with the implementation of these guardrails and the stress recognition by lenders in FY 2024-25. This trend underscores the sector's maturing risk awareness and the ongoing efforts by lenders to strengthen monitoring and recovery mechanisms in a high-inflation environment.

**Microfinance Sector - Credit and Borrowers**




**Notes:**(1) Represents 99.7% of total lending to microfinance segment

(2) NBFC-MFI is a non-deposit taking NBFC which has a minimum of 75% of its total assets deployed towards microfinance loans.

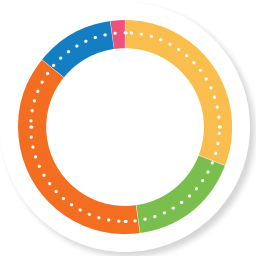
(3) NBFCs are those that do not qualify as NBFC-MFI and can extend microfinance loans up to 25% of their total assets.

*Source: CRIF High Mark Credit Information Services Pvt. Ltd*

# MANAGEMENT DISCUSSION AND ANALYSIS

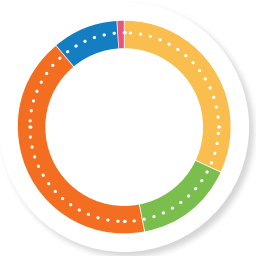
## Microfinance sector snapshot - as on December 31, 2024

### Active Live Borrowers



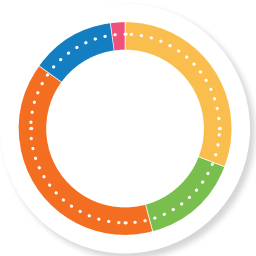
- Banks 31%
- SFBS 17%
- NBFC-MFIs 38%
- NBFCs 12%
- Not for Profit MFIs & Others 2%

### Active Loans



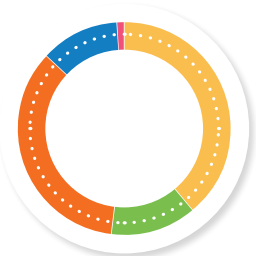
- Banks 32%
- SFBS 15%
- NBFC-MFIs 42%
- NBFCs 10%
- Not for Profit MFIs & Others 1%

### Portfolio Outstanding



- Banks 31%
- SFBS 15%
- NBFC-MFIs 39%
- NBFCs 13%
- Not for Profit MFIs & Others 2%

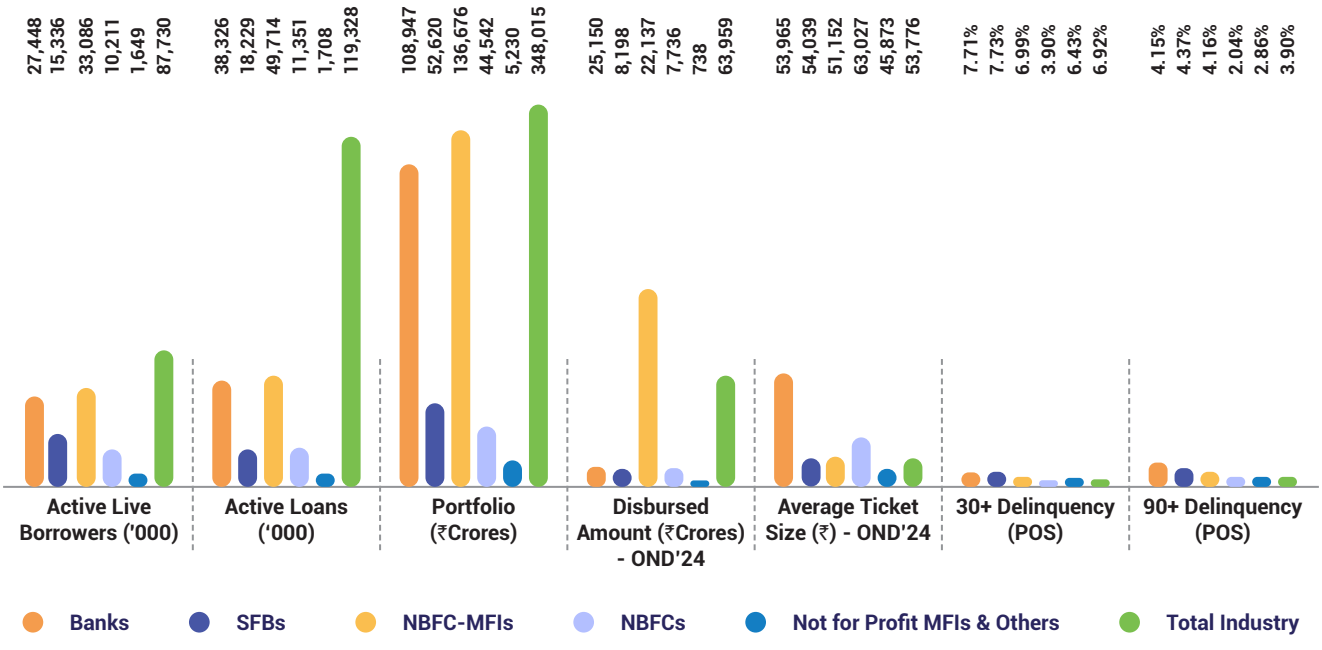
### Disbursed Amount - OND'24



- Banks 39%
- SFBS 13%
- NBFC-MFIs 35%
- NBFCs 12%
- Not for Profit MFIs & Others 1%

*Source: MFI Pulse Report 22nd edition, SIDBI*

## Snapshot as on December 31, 2024



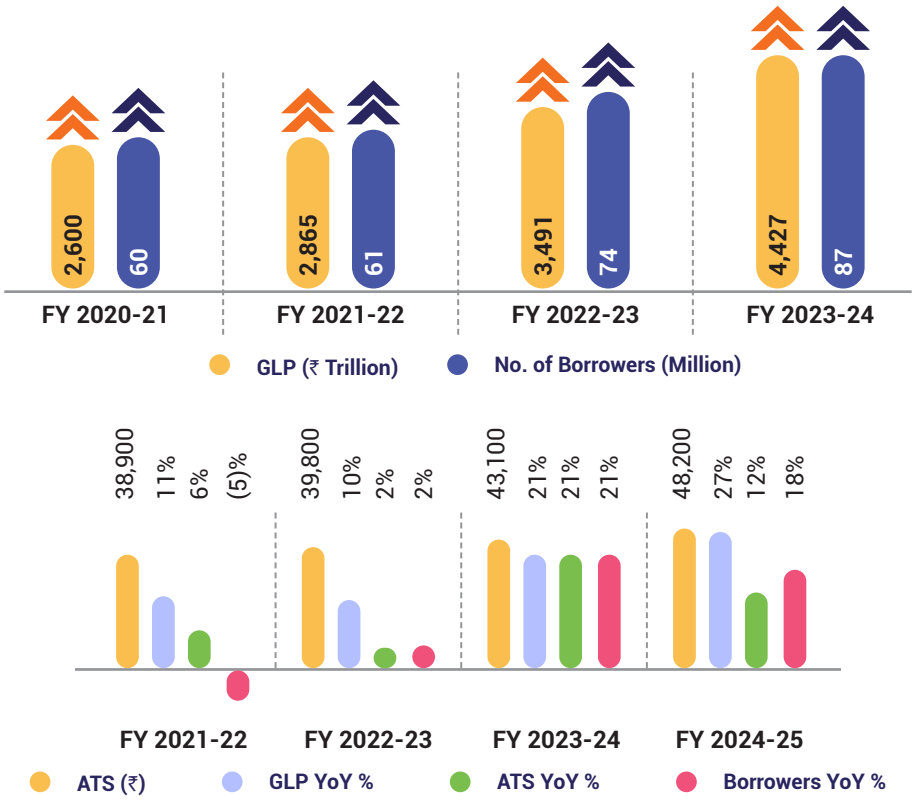

*Source: MFI Pulse Report 22nd edition, SIDBI*

# MANAGEMENT DISCUSSION AND ANALYSIS

As of December 31, 2024, the Indian microfinance industry recorded a robust portfolio outstanding of ₹3.48 Lakh Crores, driven by 87.7 Million active borrowers and over 119 Million active loans. NBFC-MFIs continued to lead the market, accounting for the highest share across key parameters with 42% of active loans and 39% of the portfolio followed by banks and small finance banks (SFBs). While the industry-wide average ticket size stood at ₹53,776, NBFCs reported the highest at ₹63,027, indicating a shift toward larger loan sizes. Asset quality remained under scrutiny, with SFBs posting the highest 30+ day delinquency rate at 7.73%, while NBFCs demonstrated the best credit performance with the lowest 90+ DPD at 2.04%. The sector's sustained expansion reflects a revival in rural demand, increased credit access, and resilience in consumption-led growth, albeit amid the need for continued focus on portfolio quality and credit discipline.

*Source: MFI Pulse Report 22nd edition, SIDBI*

**GLP size, borrower size and ATS growth**




## Outlook

The outlook for India's microfinance sector is cautiously optimistic, with signs of continued expansion tempered by emerging risks to asset quality. Despite these challenges, the sector remains vital for deepening financial inclusion and supporting low-income households, particularly women. However, rising borrower indebtedness and increased lending by multiple institutions underscore the need for enhanced credit discipline and responsible lending practices. The Reserve Bank of India has taken supervisory actions in response to elevated interest rates charged by some NBFC-MFIs, highlighting the importance of maintaining affordability and transparency in lending.

*https://rbidocs.rbi.org.in/rdocs//PublicationReport/Pdfs/FSR30122024F992B788790C44DCFBA4E8C9F98D912D9*

*https://www.business-standard.com/finance/news/microfinance-loans-shrink-3-5-to-rs-3-85-trillion-in-december-mfin-data-125022500811_1.html*

*https://www.businessworld.in/article/indias-microfinance-sector-hits-rs-408-Lakhs-cr-rising-defaults-a-concern-548046#:~:text=The%20industry%20has%20seen%20rapid,concerns%20persist%20over%20borrower%20stress.*

*Business standard - MFI loans down 41.7% to 11.9 million in Dec quarter*

*Business Standard - MFI loan book shrinks by 3.5%*

## Key regulatory updates for FY 2024-25

- On April 15, 2024, RBI issued a circular introducing the Key Facts Statement (KFS) for Loans & Advances to improve transparency and help borrowers make informed

decisions. This applies to all retail and MSME term loans sanctioned on or after October 01, 2024. The KFS, which includes details like the annual percentage rate (APR), amortization schedule, and third-party charges, must be provided in a clear and understandable format. It will have a unique proposal number and be valid for a minimum of three working days for loans of seven days or more, and one working day for loans under seven days. Any fees not listed in the KFS cannot be charged without borrower consent.

*https://website.rbi.org.in/web/rbi/-/notifications/key-facts-statement-kfs-for-loans-advances*

- On April 29, 2024, RBI issued a communication on the "Fair Practices Code for Lenders—Charging of Interest," reiterating that the guidelines on Fair Practices Code issued to various Regulated Entities (REs) since 2003, inter-alia, advocate fairness and transparency in charging of interest by the lenders, while providing adequate freedom to REs as regards their loan pricing policy. The communication states that during the course of the onsite examination of REs for the period ended March 31, 2023, the Reserve Bank came across instances of lenders resorting to certain unfair practices in charging of interest and exhorts REs to review and update their loan disbursal methods, interest application, and charges to ensure fair practices. REs are also encouraged to use online account transfers instead of cheques for loan disbursals to improve efficiency and security.

  https://website.rbi.org.in/web/rbi/-/notifications/fair-practices-code-for-lenders- charging-of-interest

- On April 30, 2024, RBI issued a "Guidance Note on Operational Risk Management and Operational Resilience," building on the 2005 guidance. The note outlines a comprehensive framework to strengthen operational risk management, addressing risks from human factors, technology, geopolitical conflicts, fraud, business interruptions, and natural disasters. The circular mandates that regulated entities (REs) adopt a holistic risk assessment strategy, implement robust internal controls, monitor operational risks, and enforce effective risk mitigation measures.

  *https://website.rbi.org.in/web/rbi/-/notifications/guidance-note-on-operational-risk-management-and-operational-resilience*

- On July 15, 2024, RBI issued "Master Directions on Fraud Risk Management in Non-Banking Financial Companies (including Housing Finance Companies)" with a view to providing framework to applicable NBFCs for prevention, early detection and timely reporting of incidents of fraud to Law Enforcement Agencies (LEAs), Reserve Bank of India and National Housing Bank and matters connected therewith or incidental thereto. Accordingly, the NBFCs shall frame a Board approved Policy on fraud risk management delineating roles and responsibilities of Board / Board Committees and Senior Management. The Policy shall also incorporate measures for ensuring compliance with principles of natural justice in a time-bound manner. Additionally, Early Warning Signals (EWS) Framework implementation should be in place within six months from the date of issuance of these directions.

  https://rbi.org.in/Scripts/NotificationUser.aspx-?Id=12704&Mode=0

- On August 8, 2024, RBI issued a direction on the "Frequency of Reporting of Credit Information by Credit Institutions to Credit Information Companies," effective from January 1, 2025. The direction requires all Non-Banking Financial Companies (including Housing Finance Companies) to report credit information to Credit Information Companies (CICs) on a fortnightly basis, either on the 15th or last day of each month, or more frequently if decided. Credit Institutions (CIs) must submit this information within seven days of the reporting date, and CICs must process it within five days, as per the revised timeline from the October 26, 2023 circular. Additionally, CICs must report defaulting CIs to RBI's Department of Supervision every six months, on March 31 and September 30.

  *https://website.rbi.org.in/web/rbi/-/notifications/frequency-of-reporting-of-credit-information-by-credit-institutions-to-credit-information-companies*

- On August 12, 2024, the RBI issued a directive to all Housing Finance Companies and Non-Banking Finance Companies regarding the "Review of the Regulatory Framework for HFCs and Harmonization of Regulations." Following the transfer of HFC regulation from the National Housing Bank to RBI in August 2019, RBI has been harmonizing regulations for HFCs and NBFCs. As part of this process, regulations applicable to NBFCs have also been reviewed and revised regulations are detailed in Part B of the Annex, will take effect from January 1, 2025.

  https://website.rbi.org.in/web/rbi/-/notifications/review-of-regulatory-framework-for-hfcs-and-harmonisation-of-regulations-applicable-to-hfcs-and-nbfcs-1https://website.rbi.org.in/web/rbi/-/notifications/review-of-regulatory-framework-for-hfcs-and-harmonisation-of-regulations-applicable-to-hfcs-and-nbfcs-1

# MANAGEMENT DISCUSSION AND ANALYSIS

- On September 30, 2024, RBI issued advisory highlighting the deficiencies observed during review of gold loans in the select Supervised Entities (SEs) "Gold Loans – Irregular practices observed in grant of loans against pledge of gold loan ornaments and jewellery". All SEs were advised to comprehensively review their policies, processes, and practices on gold loans to identify gaps, including those highlighted in this advice and initiate appropriate remedial measures in a timebound manner. Further, the gold loan portfolio was advised to be closely monitored, especially in the light of significant growth in the portfolio in certain SEs, to ensure that adequate controls are in place over outsourced activities and third-party service providers.

  *https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12735&Mode=0*

- On October 10, 2024, RBI issued a circular addressing the credit information reporting mechanism after the cancellation of licenses or Certificates of Registration (CoR). As per the Credit Information Companies (Regulation) Act, 2005 (CICRA), entities whose licenses or CoRs are cancelled by RBI are no longer classified as Credit Institutions (CIs) and their credit information cannot be accepted by Credit Information Companies (CICs). To address the issue of borrowers whose repayment history is not updated, the RBI directed CICs and CIs to establish a mechanism for reporting credit information following the cancellation of licenses or CoRs for banks and Non-Banking Finance Companies.

  https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=12739

- On January 17, 2025, RBI issued notification on "Prevention of financial frauds perpetrated using voice calls and SMS – Regulatory prescriptions and Institutional Safeguards" with a view to mitigate the potential misuse of mobile numbers. As per notification, Regulated Entities (REs) are advised to: Utilize the Mobile Number Revocation List (MNRL) available on the Digital Intelligence Platform (DIP) developed by Department of Telecommunications (DoT), Ministry of Communications, Government of India to monitor and clean their customer database, to enhance fraud risk monitoring and prevention, the REs are advised to develop Standard Operating Procedures (SOP) incorporating the required action to be taken including, inter alia, updating the registered mobile number(RMN) after due verification; enhanced monitoring of accounts linked to these revoked mobile numbers for preventing the linked accounts from being operated as Money Mules and/or being involved in cyber frauds, etc., Undertake transactional/ service calls only using '1600xx' numbering series, when operationalized; undertake promotional voice calls only through phone numbers using '140xx' numbering series; follow the "Important Guidelines for sending commercial communication using telecom resources through Voice Calls or SMS" issued by Telecom Regulatory Authority of India (TRAI) and annexed to this circular.

  https://rbi.org.in/Scripts/NotificationUser.aspx-?Id=12770&Mode=0

- On March 21, 2025, a circular was released by RBI on "Treatment of Right-of-Use (ROU) Asset for Regulatory Capital Purposes." Regulated entities will not be required to deduct an ROU asset (arising as per Ind AS 116-Leases) from Owned Fund/CET 1 capital/Tier 1 capital (as may be applicable), provided that the underlying asset being leased is a tangible asset. The ROU asset will have a risk weight of 100%, as per the risk weight previously applicable for owned tangible assets. This circular will come into force with immediate effect for all NBFCs (including HFCs) and Asset Reconstruction Companies implementing Companies (Indian Accounting Standards) Rules, 2015.

  ` https://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=12795

### Sectoral opportunities

- Bank-NBFC co-lending model, aimed at broadening the reach of organized lending
- Underserved MSME sector offering significant opportunities for NBFC growth
- Growing digitalization and analytics leading to improved lending efficiency
- Gold loans, housing loans and microfinance loans are helping towards improved financial inclusion
- Credit-risk sharing agreements being facilitated between fintech companies and regulated financial institutions such as banks and NBFCs

### Sectoral threats

- Liquidity challenges may create an adverse impact on the sector's lending capability
- Unforeseen changes in the regulatory landscape may require the NBFCs to modify their operations significantly
- Rapid pace of technological advancement may pose the threat of obsolescence
- Heightened geopolitical uncertainties may impact the macroeconomic environment for the NBFC sector

# COMPANY OVERVIEW – IIFL FINANCE LIMITED

## ABOUT US

IIFL Finance Limited (Herein referred to as 'IIFL Finance' or 'The Company', 'Our Company' or 'We'), formerly IIFL Holdings Limited, is a diversified non-banking financial company headquartered in Mumbai that offers a suite of financial services. Serving both retail and corporate clients with tailored financial products, the Company, along with its subsidiaries—IIFL Home Finance Limited and IIFL Samasta Finance Limited —provides a diverse range of loan products, including gold loans, home loans, MSME secured loans, MSME unsecured loans, supply chain finance and microfinance loans, through a widespread branch network across India. The Company operates on an asset-light model, collaborating with banks through direct assignment, securitization and co-lending arrangements. This approach aligns well with banks as most of its assets qualify under the Reserve Bank of India's priority sector lending norms or are zero risk weight for the banks. At the end of the Financial Year 2024-25, off-book assets totalled ₹23,395 Crores, covering 30% of the total Asset Under Management.

The Company has a strong phygital footprint that integrates both physical and digital distribution channels, extending their reach within the home loans, gold loans, and MSME loans categories. The Company manages a network of 4,906 branches, complemented by a robust online infrastructure and advanced mobile platforms. Serving a customer base of over 4.5 Million across various business segments, IIFL Finance Limited. offers a diverse range of financial solutions.

Founded by first-generation entrepreneurs Mr. Nirmal Jain and Mr. R.Venkataraman, the Company is backed by prominent institutional investors such as the Fairfax Financial Holdings, Capital Group and ADIA. Our Company is built on the core values of honesty, transparency and responsible lending to underserved communities. Identifying them as the backbone of India's sustainable economic growth, IIFL Finance Limited equips these small enterprises with the right financial tools to empower them with the resources they need to forge ahead.

Led by a team of highly skilled professionals with extensive expertise in financial services, risk management and technology-driven solutions, the Company fosters a dynamic culture focused on growth, entrepreneurship and innovation. By adopting industry best practices, leveraging data-driven insights and prioritizing customer-centric strategies, the Company drives operational excellence and long-term business sustainability.

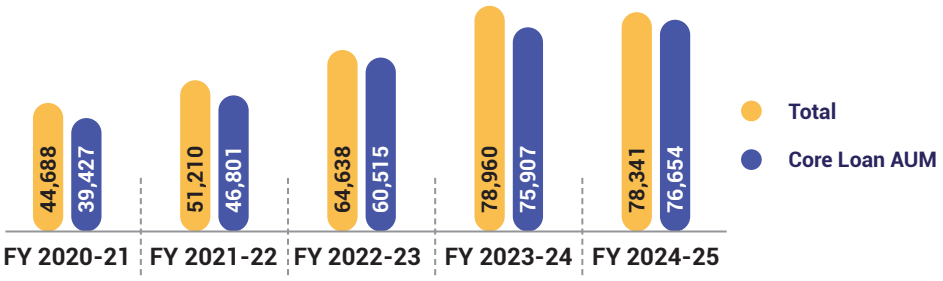
During the year under review, the Reserve Bank of India lifted its six-and-a-half-month embargo on September 19, 2024 on IIFL Finance's gold loan disbursals, initially imposed on March 4, 2024. The action followed the Company's successful compliance with regulatory directives and substantial strengthening of its compliance, risk, audit and assurance functions. With this clearance, IIFL Finance has resumed gold loan operations through its branches, marking a pivotal step in restoring growth momentum in its core secured lending segment.

## FINANCIAL PERFORMANCE AND OPERATIONAL REVIEW

IIFL Finance Limited navigated FY 2024–25 amidst a challenging macroeconomic environment, which tested its resilience and weighed on overall financial performance. A cyclical slowdown dampened earnings and subdued market sentiment, with the impact most pronounced in the unsecured and microfinance segments. This stress was largely attributed to rising consumer leverage in the absence of real income growth, leading to stagnation in disposable income.

The consolidated Assets Under Management (AUM) stood at ₹ 78,341 Crores, registering a marginal de-growth of 1% over the previous year. Home loans remained the largest contributor to the core product portfolio, with an AUM of ₹31,588 Crores, accounting for 40% of the total AUM. The segment recorded a robust 15% year-on-year growth. Gold loans followed with an AUM of ₹21,022 Crores, comprising 27% of the total AUM and demonstrated a strong recovery post the RBI embargo. MSME loans, including MSME secured loans, MSME unsecured loans and supply chain finance, stood at ₹14,185 Crores, reflecting an 18% growth compared to the previous financial year and contributing 18% to the total AUM. The Microfinance segment followed with an AUM of ₹ 9,859 Crores. Overall, the core AUM reached ₹ 76,654 Crores, comprising 98% of the total AUM.

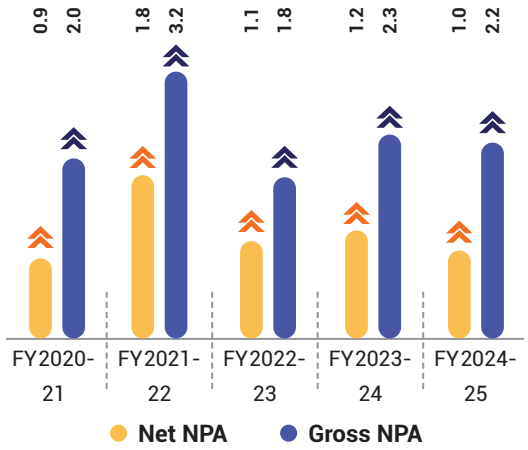
**Loan AUM** **(₹ Crores)**



# COMPANY OVERVIEW – IIFL FINANCE LIMITED

Total Comprehensive Income, post non-controlling interest, stood at ₹ 367.5 Crores, representing a decline of 79% over FY 2023–24. On the asset quality front, the Gross NPA (GNPA) stood at 2.2%, declined by 10 basis points year-on-year, while the Net NPA (NNPA) declined by 15 basis points and stands at 1%. Despite a challenging operating environment and a temporary dip in income and profitability, IIFL Finance continued to demonstrate robust asset quality, reflecting its disciplined underwriting practices, focused recovery efforts and conservative risk management framework. Aligned with its capital optimization strategy, the Company's assigned and co-lending portfolio accounted for approximately 29.9% of the total AUM.

**Asset quality ratios (%)**




*FY2020-21 figures are excluding discontinued healthcare finance portfolio. Without this change GNPA is 2.1%, NNPA is 1.0%.*

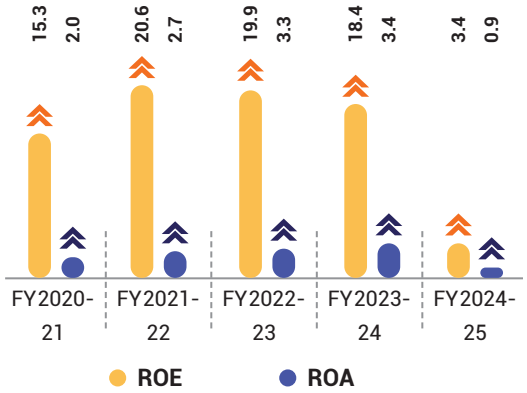
IIFL Finance maintained a healthy liquidity buffer, with cash, cash equivalents and committed credit lines from banks and financial institutions aggregating to ₹5,216 Crores as of March 31, 2025. This position is adequate to meet near-term liabilities while supporting growth requirements. The Company continues to maintain a positive Asset-Liability Management (ALM) profile across all maturity buckets, with a net gearing ratio of 3.4.

Capital adequacy remained robust across all lending entities of IIFL, with the consolidated CRAR (computed) at a strong 29.0%. Our Housing Finance subsidiary reported a CRAR of 47.2%, our Microfinance subsidiary stood at 32.4% and the standalone NBFC at 18.5%—all comfortably above the regulatory minimum of 15%. These healthy capital buffers underscore the Group's conservative leverage stance, disciplined off-book strategy and commitment to sustainable, well-capitalized growth.

Loan growth across core products remained subdued during the year, with overall Loan AUM recording a marginal year-on-year decline of 1%. Gold loan AUM was impacted by RBI embargo during the year, resulting in a 10% contraction. The microfinance portfolio also faced pressure, de-growing by 25% due to prevailing macroeconomic headwinds and a cautious lending environment. On the other hand, the Company sustained its focus on affordable housing in non-metro areas within the home loans segment, which led to a healthy 15% year-on-year growth. MSME loans also registered an 18% growth, supported by targeted outreach and strengthened underwriting. Nonetheless, subdued demand and restrained disbursements continued to weigh on overall portfolio momentum.

As of March 31, 2025, IIFL Finance operated 4,906 branches, primarily dedicated to its gold loans, home loans, MSME loans and microfinance loans. Profitability was under pressure during the year due to restrictions on gold loan business, industry-wide stress in microfinance and one-time exceptional provisions on security receipts. Return on Assets (RoA) declined to 0.9% and Return on Equity (RoE) to 3.4%.

**ROA and ROE (%)**




The Company continued to extend tailored credit solutions, particularly in the affordable housing segment, offering small-ticket loans to salaried and self-employed individuals, with an average onboarding ticket size of ₹ 16.4 Lakhs. Through its subsidiary, IIFL Home Finance, the Group remained aligned with the Government's 'Housing for All' agenda under the Pradhan Mantri Awas Yojana (Urban) – Credit Linked Subsidy Scheme.

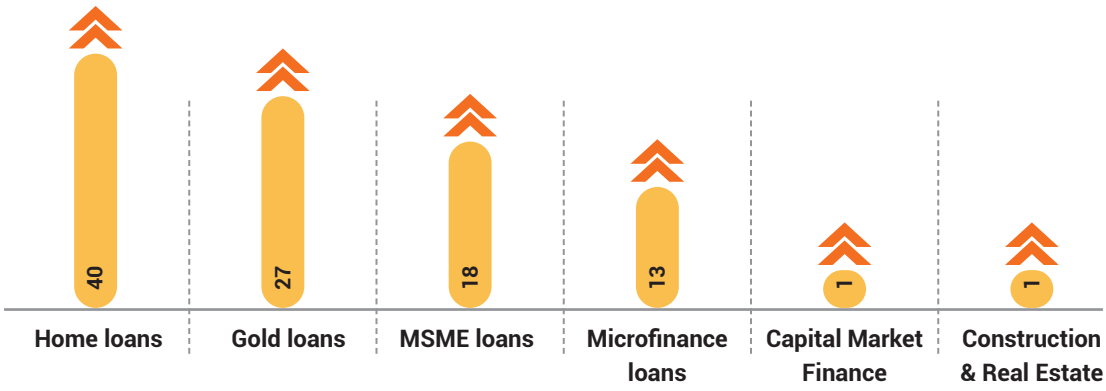
Microfinance loans amounted to ₹ 9,859 Crores (13%), serving a widespread customer base through 1,660 branches across India. These core segments reflect the Company's diversified lending model and its commitment to financial inclusion.

Retail loans—secured by mortgages, gold, or reliable income streams—comprised 99% of the total loan book as of March 31, 2025, primarily targeting financially underserved customer segments. While business fundamentals remain intact, performance was adversely impacted by reduced

demand, tighter funding conditions and an elevated cost of capital. The Company's retail lending platform, supported by a wide distribution network, co-lending partnerships, digital-first initiatives and a solid balance sheet, continues to be a strategic differentiator. The share of retail loans qualifying under the RBI's Priority Sector Lending (PSL) norms (excluding gold loans) stood at 64% as of March 31, 2025. The proportion of loans sold down by way of direct assignment and co-lending stood at 30% of total AUM.

IIFL Finance maintained a stable AUM composition, with secured loans forming 80% of the portfolio. Despite sectoral pressures, the Company remains committed to navigating macroeconomic uncertainties through conservative lending, calibrated growth and robust risk management.

**AUM break-up** (%)




During the year, the Company raised ₹ 17,486.71 Crores through various funding sources such as term loans, bonds, refinancing, and securitization. Additionally, ₹ 7,449.69 Crores was raised via loan assignments to further strengthen the liquidity position.

**Details of significant changes in key ratios (consolidated business):**

| Ratios | March '25 | March '24 | Variance |
|---|---|---|---|
| Debt equity ratio | 3.66 | 3.87 | (5.47%) |
| Total debts to total assets | 0.75 | 0.75 | 0.94% |
| Operating Profit Margin % | 27.34% | 33.98% | (19.55%) |
| Net Profit Margin % | 5.65% | 18.82% | (69.99%) |
| GNPA | 2.23% | 2.32% | (4.15%) |
| NNPA | 1.05% | 1.20% | (12.52%) |
| Specific provision coverage ratio | 53.59% | 49.12% | 9.09% |
| CRAR (Standalone) | 18.48% | 18.85% | (1.94%) |
| LCR (Standalone) | 180.62% | 192.47% | (6.16%) |
| ROE | 3.37% | 18.42% | (81.72%) |

Net Profit Margin dropped to 5.65% owing to the RBI embargo and one-time exceptional provisions on security receipts. Return on Equity stood at 3.37%, reflecting a prudent approach to elevated credit provisioning in Samasta Microfinance amidst sectoral headwinds. Gross and Net NPAs saw slight improvement, supported by better recoveries and prudent underwriting. Specific Provision coverage was strengthened to 53.59%, reinforcing our conservative risk stance. Capital adequacy (consolidated) remained stable at 29%, and liquidity levels, with an LCR of 180 (computed) 62%, continued to exceed regulatory thresholds. Our Debt-Equity Ratio improved to 3.66, while Total Debt to Assets remained steady at 0.75, reflecting a balanced and resilient capital structure.

**Details of significant changes**

The consolidated Net Profit Margin was lower due to business being impacted in the Standalone entity owing to RBI Embargo and one off provision on the Secuity receipts; In Samasta Microfinance due to higher NPA and loan lossess & provision due to Industry wide asset quality stress. The return on net worth was lower due to reasons as stated above.

**Disclosure of accounting treatment**

The Company's financial statements were prepared without deviation from the treatments prescribed in any of the Accounting Standards (AS).

# COMPANY OVERVIEW – IIFL FINANCE LIMITED

## AFFORDABLE HOME LOANS

### Business overview

IIFL Finance Limited, through its subsidiary IIFL Home Finance, offers an array of housing finance solutions, including loans for home purchases, home construction and renovation. We also provide small and medium businesses with mortgage-backed loans against residential or commercial properties for a variety of purposes, including working capital, business usage, commercial property acquisition and more. Our product range covers small-ticket home loans and project financing for affordable housing projects. We have a robust pan-India distribution network throughout Tier 1, Tier 2 city suburbs, Tier 3 and Tier 4 cities that serve as our sources of low-cost financing for underserved segments, primarily serving first-time homebuyers and the Economically Weaker Section (EWS) and Low-Income Group (LIG) segments. As of March 31, 2025, the average ticket size of our housing loans and affordable housing project loans has been ₹15.35 Lakhs and ₹ 6.95 Crores, respectively.

Our commitment aligns with the key government initiatives, 'Housing for All,' where we have extended loans to Affordable Housing Project beneficiaries. Providing seamless borrowing via technology and digital innovations, as well as our Jhatpat Loan Approval process, we ensure quick disbursement with minimal paperwork, allowing fast processing and swift turnaround times.

### FY 2024-25 under review- IIFL Home Loans segment

IIFL Home Loans reported a solid financial performance during FY 2024–25, with an AUM of ₹31,588 Crores, indicating a growth of 15% year-on-year. This business continued to maintain superior asset quality, with a GNPA ratio of 1.4%. With 2.35 Lakh customers across a network of 376 branches, we remain committed to advancing financial inclusion and expanding our presence in the housing finance market through technology adoption and customer-centric solutions.

We entered into a strategic partnership with Maharashtra Housing Development Corporation Limited. (MHDC) to promote affordable housing projects and facilitate home financing in Maharashtra with an aim to accelerate the sale of approximately 3,000 tenements under the Pradhan Mantri Awas Yojana 2.0 (PMAY 2.0) within the state. Our Company also entered a partnership with the agrobusiness division of ITC Limited, enabling underserved farmers in rural areas to access a wide range of home loan services offered by the Company. IIFL Home Finance has done an integration with the ITC MAARS App (Meta Market for Advanced Agricultural Rural Services), a full-stack Agri-Tech application for reaching out to the farmers and addressing their financial requirements.

Our Company continued to advance our commitment to green-certified affordable housing through the Green Value Partnership (GVP) platform.

## GOLD LOANS

### Business overview

With a widespread network of 2,833 branches across 26 states and Union Territories, we offer loans against gold jewellery to a diverse customer base, including small business owners, merchants, farmers, salaried individuals, self-employed individuals, etc. Our competitive interest rates, minimal documentation requirements and swift processing ensure a seamless and efficient borrowing experience. Gold jewellery valuations are conducted by appraisers trained in gold quality assessment, reinforcing our commitment to responsible lending.

### FY 2024-25 under review: gold loans business

During March 2024, the Reserve Bank of India observed various material supervisory concerns in our gold loan portfolio and directed us to immediately cease sanctioning or disbursing new gold loans. As a result, the Company's gold loan AUM declined by 10% year-on-year, standing at ₹ 21,022 Crores as of March 31, 2025, compared to ₹ 23,354 Crores in FY 2023–24. The yield from the gold loan portfolio dropped to 17.83%, from 19.0% in the previous year.

In a positive development, on September 19, 2024, RBI had lifted the embargo, allowing resumption of normal gold loan operations, including sanctioning, disbursal, securitization and sale of loans.

The gold loan business maintained strong asset quality, with a GNPA ratio of 0.54% in FY 2024-25, significantly improved from 3.83% in FY 2023-24—demonstrating prudent risk controls and portfolio resilience. We expect a sustained gold loan AUM growth in the coming quarters.

## MSME LOANS

### Business overview

IIFL Finance's secured MSME loan portfolio primarily comprises small-ticket loans, with an average ticket size of approximately ₹9.95 Lakhs per customer. This segment is geared towards digital lending, targeting the MSME and individual borrower segments, where agility in disbursement must be balanced with robust credit underwriting. FY 2024-25, the secured MSME loan portfolio recorded a year-on-year AUM growth of 4%, reaching ₹8,972 Crores. FY 2024-25, the unsecured MSME loan portfolio recorded a year-on-year AUM growth of 54%, albeit on a small base, reaching ₹5,213 Crores.

At IIFL Finance, the focus on unsecured business loans

is centered around meeting the evolving credit needs of the MSME sector, backed by cash flow assessments. The Company has built a robust internal framework for credit evaluation, involving stringent underwriting protocols and thorough in-house due diligence.

Driven by digital innovation, IIFL Finance has embraced a paperless loan journey, redefining customer experience through scorecard-led platforms.

**FY 2024-25 under review-MSME loans**

We reinforced our MSME lending with a purpose-driven, tech-enabled strategy. Continued investments in scorecard-driven underwriting, early warning systems and automated workflows enabled faster credit decisions. The segment delivered an overall yield of 19.05%, including 18.52% from secured, 21.16% from unsecured loans and 13.17% from supply chain finance.

In FY 2024–25, the secured MSME loan segment focused on strengthening portfolio quality and enhancing risk controls amid a cautious lending environment. The Company streamlined credit assessment using digital workflows and early warning systems to ensure prudent underwriting. Despite macroeconomic headwinds, the portfolio maintained stability, supported by targeted sourcing, real-time monitoring and deeper engagement with self-employed and small business borrowers across semi-urban locations.

## MICROFINANCE

### Business overview

IIFL Finance is committed to fostering financial inclusion by providing micro-loans tailored for income-generating activities, with a strong emphasis on community upliftment. The portfolio is designed to ensure high returns while maintaining a granular approach. A key focus area is supporting women-led self-help groups (SHGs), reinforcing the Company's role in grassroots empowerment.

Through its subsidiary, IIFL Samasta Finance, the Company offers term loans, including Dairy Cattle Loans, to individuals and businesses engaged in dairy farming. These loans facilitate the purchase of high-quality livestock—such as cows and buffaloes—or support the expansion and modernization of dairy farming operations. Additionally, IIFL Samasta provides specialized financing solutions, such as Samriddhi loans, which enable women entrepreneurs to scale their micro-enterprises. Meanwhile, Suvidha (Consumer Product Loans) and Sajal (Water & Sanitation Loans) loans cater to essential life needs, ensuring access to crucial resources for underserved communities.

**FY 2024-25 under review- microfinance**

We maintained our focus on small-ticket loans, with an average ticket size of approximately ₹0.50 Lakhs per customer. The business was driven by enhanced risk frameworks and digital workflows aimed at improving credit quality and turnaround time. The portfolio yield stood at 24.35%. Asset quality remained in check despite broader sectoral stress, with a GNPA ratio of 4.81%. We also advanced operational efficiency through scorecard-led underwriting, digital onboarding and automated early warning systems, while expanding reach via co-lending models and fintech partnerships.

## RISK MANAGEMENT AND GOVERNANCE

IIFL Finance Limited places strong emphasis on robust risk management as a cornerstone for long-term business sustainability and performance. The Company views risk management monitoring and measuring process not merely as a compliance requirement, but as a strategic tool to optimize the risk-reward equation while adhering to applicable laws, regulations and industry standards.

Recognizing that risk is inherent in all aspects of business, IIFL Finance adopts a proactive, comprehensive and integrated approach to identify, assess, report and mitigate existing and potential threats. This holistic approach safeguards the Company from financial and reputational losses, while reinforcing its position as a prudent and responsible NBFC. Fostering a strong culture of disciplined risk awareness, the Company ensures that employees across all levels are informed about the risks associated with their roles and are equipped with the tools and training programs necessary to mitigate them. Risk management is treated as an ongoing process—one that evolves with changing market dynamics, regulatory developments and business needs. In line with regulatory mandates from the Reserve Bank of India and the Securities and Exchange Board of India (SEBI), IIFL Finance has constituted a dedicated Risk Management Committee. This Committee plays a pivotal role in shaping the risk governance framework by reviewing risk exposures and providing actionable policy and operational guidance.

Through a structured and comprehensive risk management framework, the Committee monitors key risk areas—including credit risk, market risk, interest rate risk, collection risk, fraud risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, information technology risk, cyber risk, outsourcing risk, people/conduct risk, environment social governance risk and operational risk—ensuring they are effectively addressed through strategic interventions and risk mitigation mechanisms.

**Fundamental changes introduced in the gold loans business in FY 2024-25**

- IIFL Finance has set a maximum cash disbursement and collection limit as per the regulatory requirements

# COMPANY OVERVIEW – IIFL FINANCE LIMITED

- Conforming to RBI master directions ensuring transparency and adherence, we have detailed the process of auction in the loan agreement
- To reduce risks related to delinquent customers, new loan requests are automatically denied to those customers whose repayment records reflect a Days Past Due (DPD) exceeding the defined threshold, lowering the chances of issuing credit to high-risk parties
- We have intensified due diligence for borrowers with loans sanctioned during the financial year in the bracket of > ₹30 Lakhs, > ₹1 Crores loan and and above 10 loans sanctioned during financial year
- This involves procuring a certification from a Chartered Accountant (CA) to confirm the proposed end use of funds
- Due diligence procedures are intensified for customers with loan exposures of and above threshold limits for proper risk evaluation
- Ongoing Anti-Money Laundering (AML) monitoring is performed regularly for all active customers to ensure compliance and prevent financial crime
- To further mitigate risks associated with the gold loan profile, certain occupations such as jewellers have been added to the restricted profile category
- Comprehensive credit information of all gold loan customers is submitted to Credit Information Companies (CIC) enabling informed lending decisions
- A Certificate of Purity is issued for the pledged gold assets, along with the loan agreement created during loan disbursement
- To increase transparency in customer communication, SMS reminders are sent when the Portfolio Loan-to-Value (LTV) ratio exceeds a pre-determined threshold, signaling either the levying of MTM charges or gold auctioning based on limits
- To enhance operational efficiency and security, we are setting a maximum cash disbursement and collection limit as per the regulatory requirements
- In compliance with the Fair Practices Code, loan agreements are made available in 11 languages to suit varied linguistic preferences, ensuring transparency and inclusivity

## HUMAN RESOURCES

At IIFL Finance, our employees are the backbone of our success, driving innovation and operational excellence. Their diverse skills, expertise and commitment shape our culture and fuel our growth. We prioritize their development and well-being by fostering a dynamic, inclusive and integrity-driven workplace.

Through robust health and safety programs, skill development initiatives and tailored training, we ensure our workforce is equipped to navigate challenges and deliver outstanding value to our customers. Read more in the Our People chapter on pages 102-111.

## INTERNAL CONTROLS

The Company maintains a robust system of internal control augmented by concurrent audits, internal audits, control testing, special audits and frequent management reviews. The internal audit team conducts risk-based audits to validate the adequacy and efficacy of internal controls for fraud prevention, detection, reporting and remediation. Moreover, the Company emphasizes reviewing process controls, risk monitoring and fraud prevention measures. The Company ensures adequate insurance coverage for pledged ornaments and employs on-site and off-site security surveillance measures at branch locations. The Company minimizes operational risks by having strong internal controls, overseeing transactions, having backup procedures and developing extensive contingency plans. These measures reduce employee and consumer fraud, fire incidents, theft and burglary. Additionally, risk-based internal audits are performed at all branches to assess the adequacy and conformity of internal controls, systems and procedures.

To strengthen oversight and governance, the Company engages leading audit firms to support the Head of Internal Audit in evaluating internal controls across core business verticals and support functions. Subject matter experts are deployed to ensure robust audit coverage of the NBFC, HFC and MFI segments.

Implementing the 'three lines of defense' risk management approach, the Company's line management function acts as the first line of defense, followed by the risk management and compliance functions and ultimately, the audit function. The Company's internal audit function, led by the internal auditor, is independent under the oversight of the Audit Committee of the Board. Additionally, close working with the risk management and compliance department guarantees the efficacy of controls and compliance with internal processes and procedures. Activities are audited based on inherent and control risks determined through an annual risk assessment exercise. Additionally, being an ISO/IEC 27001:2022 certified Company reflects its dedication to delivering clients with dependable and secure technology solutions. We have introduced substantial internal control

enhancements to fortify our compliance infrastructure and operating resilience. We have augmented our monitoring systems with a strong quarterly dashboard to enable management to respond quickly to track and resolve compliance issues promptly. Our internal audit function has adopted a proactive and dynamic approach, leveraging data analytics and conducting specially designed audits based on regulatory guidelines and sanctions, ensuring responsiveness and precision in compliance initiatives. We had also engaged expert consultants to update our Standard Operating Procedures (SOPs) and Risk Control Matrix, ensuring alignment with industry best practices and regulatory requirements. These measures fortify our internal controls, ensuring robust compliance and sustained resilience to meet current and future regulatory expectations.

## INTERNAL FINANCIAL CONTROLS

The Company recognizes the importance of robust internal financial controls in enhancing operational performance and boosting financial prudence. The internal auditors scrutinized the design and effectiveness of the primary controls and found no significant deficiency during their investigation. Additionally, the statutory auditors assessed the systems and procedures, confirming their appropriateness while reiterating the successful functioning of the internal financial controls system for financial reporting.

## CAUTIONARY STATEMENT

Statements made in this Management Discussion & Analysis (MD&A) outlining the Company's objectives, projections, estimates, general market trends and expectations may fall under the category of 'forward-looking statements' as per applicable laws and regulations. Actual results may significantly differ from the suggestions put forth by these 'forward-looking statements' due to various risks, uncertainties and other factors.

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

# i. Details:

| | | |
|---|---|---|
| **1.** | Corporate Identity Number (CIN) of the Listed Entity | L67100MH1995PLC093797 |
| **2.** | Name of the Listed Entity | IIFL Finance Limited ("IIFL") |
| **3.** | Year of Incorporation | 1995 |
| **4.** | Registered office address | IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane, Maharashtra - 400604 |
| **5.** | Corporate address | 802, 8th Floor, Hubtown Solaris, N. S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai – 400 069 |
| **6.** | E-mail | shareholders@iifl.com |
| **7.** | Telephone | (91-22) 6788 1000 |
| **8.** | Website | www.iifl.com |
| **9.** | Financial year for which reporting is being done | April 1, 2024 – March 31, 2025 |
| **10.** | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited ("NSE")<br>BSE Limited ("BSE") |
| **11.** | Paid-up Capital | ₹ 84.90 Crores (As of 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 | Mr. Samrat Sanyal<br>Company Secretary and Compliance Officer<br>Telephone No. (91-22) 6788 1000<br>shareholders@iifl.com |
| **13.** | Reporting boundary - 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) | Disclosures made in this Report are on a standalone basis and pertain only to IIFL Finance Limited |
| **14.** | Name of assurance provider | Not applicable |
| **15.** | Type of assurance obtained | Not applicable |

## SECTION A: GENERAL DISCLOSURES

# ii. Products/Services

**16. Details of business activities (accounting for 90% of the entity's turnover)**

| Description of main activity | Description of business activity | % of total revenue of the entity |
|---|---|---|
| Financial services | IIFL is a diversified financial services company that provides a wide range of loan products through its own operations and subsidiary entities. | 99.66% |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Revenue):**

| Product/Service | NIC code | % of total revenue contributed |
|---|---|---|
| IIFL is a financial services Company offering financing through varied loan products via., Gold Loan, MSME Loan, Construction & Real Estate Finance and Capital Market Finance | 64920 | 99.66% |

# iii. Operations

**18. Number of locations where operations/offices of the entity are situated**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 0 | 2,860 | 2,860 |
| International | 0 | 0 | 0 |

**19. Markets served by the entity:**

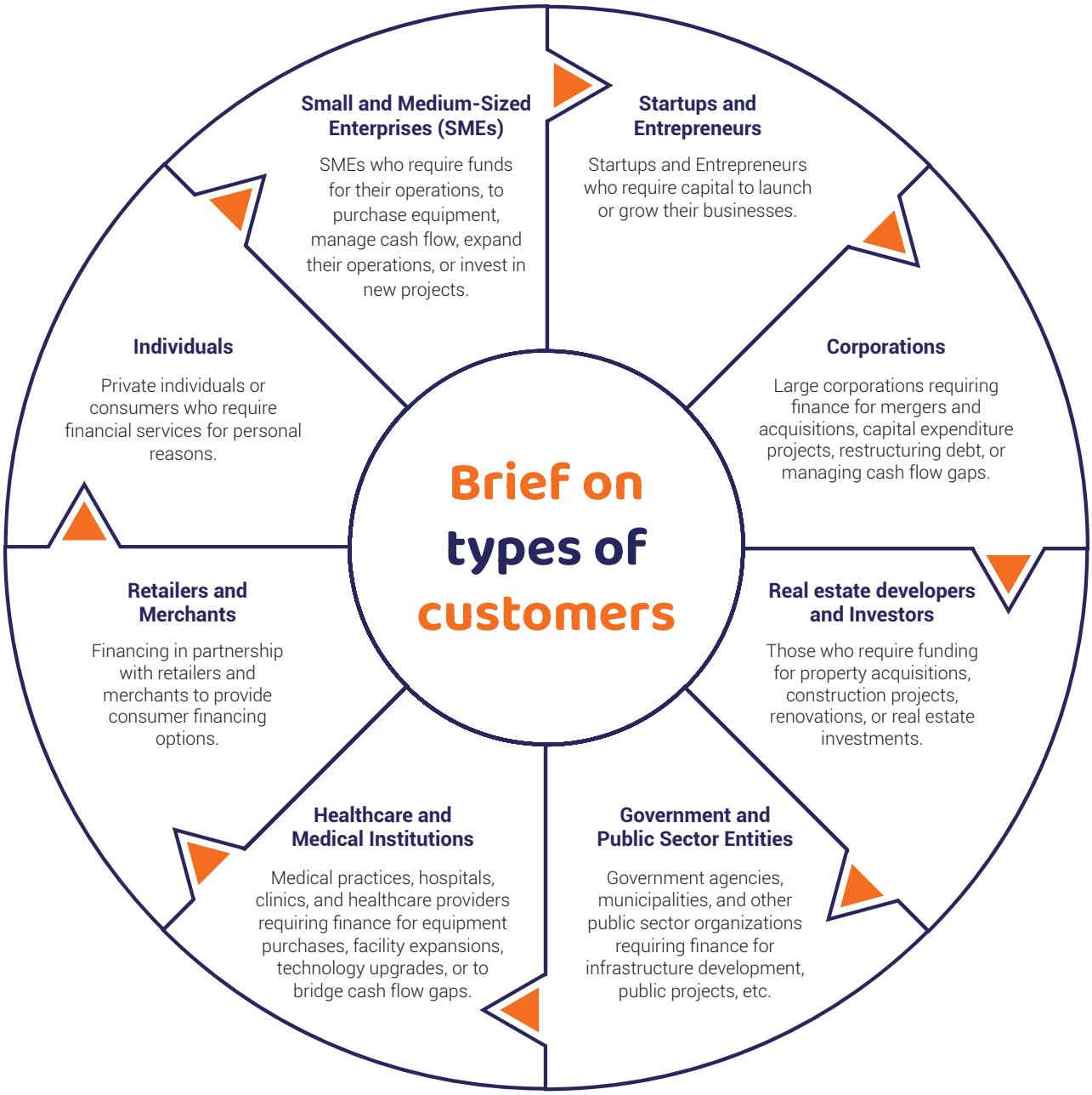
**a. Number of locations**

| Locations | Number |
|---|---|
| National (States and Union Territories) | 28 (26 states and 2 UTs) |
| International (No. of Countries) | Nil |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Not Applicable.

## SECTION A: GENERAL DISCLOSURES




# iv. Employees

### 20. Details as of March 31, 2025

**a. Employees and workers (including differently abled):**

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | **EMPLOYEES** | | | | | |
| 1 | Permanent (D) | 14,782 | 10,874 | 74% | 3,908 | 26% |
| 2 | Other than Permanent (E) | 461 | 312 | 68% | 149 | 32% |
| **3** | **Total employees (D + E)** | **15,243** | **11,186** | **73%** | **4,057** | **27%** |

*The Company does not have any worker as defined in the guidance note of BRSR.

# SECTION A: GENERAL DISCLOSURES

**b. Differently abled employees:**

We, at IIFL Finance are committed to all employees regardless of their background, abilities or disabilities. We believe in fostering an inclusive and diverse work environment, which values the contribution from every employee. In line with our Company's commitment to treat all employees fairly, we do not track specific details related to an individual's disability - as we believe in the privacy of the employee and strive to avoid any biases or stigmatization. Our Company's goal is to remain an equal opportunity employer and ensure all employees are treated fair.

## 21. Participation/Inclusion/Representation of women

| Particulars | Total | No. and percentage of Females | |
|---|---|---|---|
| | (A) | No. (B) | % (B / A) |
| Board of Directors | 9 | 1 | 11.11 |
| Key Management Personnel* | 4 | 0 | 0.00 |

* includes 2 Key Managerial Personnel (Mr. Nirmal Jain, Mr. R Venkataraman) also covered under the Board of Directors.

## 22. Turnover rate for permanent employees

F: Female M: Male

| Bucket | FY 2022-23 | | | | | | FY 2023-24 | | | | | | FY 2024-25 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M |
| | Below 30 yrs | | 30-50 yrs | | Above 50 yrs | | Below 30 yrs | | 30-50 yrs | | Above 50 yrs | | Below 30 yrs | | 30-50 yrs | | Above 50 yrs | |
| Junior management | 13.30% | 21.50% | 5.60% | 19.60% | 0.00% | 0.00% | 8.07% | 15.35% | 4.69% | 15.20% | 0.00% | 0.04% | 7.07% | 13.20% | 3.31% | 12.45% | 0.03% | 0.07% |
| Middle management | 0.60% | 1.90% | 3.30% | 31.50% | 0.00% | 0.40% | 0.32% | 1.61% | 3.15% | 23.82% | 0.16% | 0.48% | 0.32% | 0.63% | 3.17% | 13.95% | 0.00% | 0.00% |
| Senior management | 0.00% | 0.00% | 2.50% | 10.10% | 0.00% | 2.50% | 0.00% | 0.00% | 8.89% | 20.00% | 0.00% | 0.00% | 0.00% | 0.00% | 6.38% | 21.28% | 0.00% | 2.13% |
| **Total** | **12.20%** | **19.80%** | **5.40%** | **20.60%** | **0.00%** | **0.10%** | **7.40%** | **14.16%** | **4.57%** | **15.93%** | **0.01%** | **0.07%** | **6.90%** | **12.89%** | **3.32%** | **12.51%** | **0.03%** | **0.07%** |

*The Company does not have any worker as defined in the guidance note of BRSR.

# V. Holding / Subsidiary / Associate companies / Joint ventures

## 23. As on March 31, 2025

| Sl. No. | Name of the holding / subsidiary / associate company / joint venture | 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 | IIFL Home Finance Limited | Subsidiary | 79.59% | No |
| 2 | IIFL Samasta Finance Limited | Subsidiary | 99.56% | No |
| 3 | IIFL Open Fintech Private Limited | Subsidiary | 100% | No |
| 4 | IIHFL Sales Limited* | Step – down Subsidiary | 79.59% | No |

*Subsidiary company of IIFL Home Finance Limited.

# vi. CSR Details

**24. As on March 31, 2025**

| | CSR Details | IIFL |
|---|---|---|
| (i) | Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No) | Yes |
| (ii) | Turnover (in ₹ Crores) | 4,066.17 |
| (iii) | Net worth (in ₹ Crores) | 6,379.20 |

# 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 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|---|
| | | 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 https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20 Finance.pdf | - | - | - | - | - | - |
| Investors* | Yes https://www.iifl.com/finance/investor relations/contact centre?redirect=menu-bar | 11 | 0 | - | 7 | 0 | - |
| Employees# | Yes Vigilance policy available in HRMS portal | 166 | 6 | Complaints were received at the end of the FY; Investigation in process | 140 | 8 | Complaints were received at the end of the FY; Investigation in process |
| Customers | Yes https://www.iifl.com/finance/grievance-redressal-procedure | 45,109 | 167 | - | 36,966 | 250 | - |
| Value chain partners | Yes https://www.iifl.com/finance/grievance-redressal-procedure | 173 | 4 | - | 1,256 | 1 | - |

* Investors include Shareholders and Debentureholders.
#Complaints on sexual harassment are reported separately.
$Complaints pending as on March 31, 2024, were subsequently resolved.

# SECTION A: GENERAL DISCLOSURES

## 26. Overview of the entity's material responsible business conduct issues

| Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Corporate Governance and Ethics | Opportunity | Maintaining the highest standards of ethics and corporate governance is necessary to gain the trust of our Company's stakeholders. Our Company has instituted various policies and measures to constitute a strong corporate governance framework per regulatory guidelines. We have in place a fair, transparent and accountable corporate governance structure to safeguard the interests of all stakeholders. There is an effective mechanism, supported by strong policies to supervise the management and oversee the critical functions of the Company. An effective grievance redressal mechanism for stakeholders to address their concerns is also integrated into our Company's policies. | | **Positives**<br>▪ Strengthened reputation<br>▪ Positive perception of the Company<br>▪ Wider acceptability across all stakeholder groups<br>▪ Ease in attracting high quality talent |
| Financial Inclusion and Literacy | Opportunity | It is our constant endeavor to expand access to our financial services to underserved people and groups in need of support such as small businesses or women. This an important objective of our business. | | **Positives**<br>▪ Enhanced goodwill among stakeholders<br>▪ Market expansion<br>▪ Enabling social impact-based borrowing |
| Employment practices | Opportunity | Our work culture is focused on providing fair and inclusive environment to all our employees, across their entire journey with the Company. We undertake efforts to build a congenial work environment through structured training and performance appraisal practices, thereby helping us in attracting and retaining superior talent. | | **Positives**<br>▪ Better employee retention<br>▪ Improvement in employee productivity<br>▪ Attracting high quality talent |

# SECTION A: GENERAL DISCLOSURES

| Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Data and Customer Privacy | Risk | Security and protection of customer data is crucial to avoid data misuse. Our Company relies heavily on its technology infrastructure. As majority of transactions are processed digitally, it increases cyber/ information security risks. | Our Company has a strong Information and cyber security policy wherein cyber risk and its mitigation are monitored and updated. The IT Strategy Committee and Board of Directors review and approve any updates in data and customer privacy related matters. The Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) are responsible for the Company's data and customer privacy and take decisions on any related issues. Plans for managing data privacy matters have been constituted like Cyber Crisis Management Plan (CCMP), to adapt/ mitigate any data and customer privacy related occurrences. We have increased efforts to update employees, customers and other stakeholders of any potential cyber frauds, data privacy etc. Informative materials on data and customer privacy are shared via mail, SMS and on social media. We have adopted ISO 27001:2022 Risk Assessment methodology to identify and mitigate security risks. | **Negatives**<br>▪ Reputational risk<br>▪ Litigation risk<br>▪ Regulatory risk<br>▪ Financial risk<br>▪ Business loss |
| Customer satisfaction | Opportunity | Customer centricity is at the core of all our activities and helps serve them better. As we fulfill their needs and expectations, we build enduring relationships with them, strengthening their trust in our capabilities. | | **Positives**<br>▪ Increase in repeat customer business<br>▪ Improvement in market share<br>▪ Better asset quality<br>▪ Better financial performance |

# SECTION A: GENERAL DISCLOSURES

| Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Regulatory compliance | Risk | Compliance to rules and regulations helps us gain confidence of stakeholders and grow responsibly. However, any deviations from the same can have significant adverse consequence for us. | We ensure that there are no delays or discrepancies in complying with regulations applicable to our Company. A dedicated team led by the Chief Compliance Officer, of qualified people has been set up to ensure efficient and timely compliance with all regulations we need to follow. | **Negatives**<br>▪ Non-transparent and poorly governed organization<br>▪ Regulatory sanctions |
| Digitalization | Opportunity | Our focus is on leveraging the full potential of digitalization to drive innovation across our offerings, as well as processes. Strategic partnerships with fintech companies, along with strong in-house digital capabilities have allowed us to expand our customer base significantly and serve niche segments efficiently. | | **Positives**<br>▪ Seamless business operation at lower cost<br>▪ Improved turnover around time<br>▪ Competitive edge |
| Responsible lending | Risk | While we serve the underbanked sections, any inadequate evaluation of ESG factors on our part prior to loan disbursement, may lead to rise in risk of default on the part of such borrowers. | Integrating ESG factors into our service/product offerings helps us expand market access and reach out to more marginalized / vulnerable groups. Greater disclosures on ESG aspects may help increase access to larger pools of green financing. | **Negatives**<br>▪ Lower profits<br>▪ Weaker asset quality |
| Community development | Opportunity | Our Company has a strong CSR practice on the areas of health, education & environment, livelihood and poverty alleviation. These programs are designed to care for women and youth, make healthcare accessible to the marginalized sections of the society, contribute the fight against climate change and drive holistic development across our communities. | | **Positives**<br>▪ Long lasting positive impact across our communities<br>▪ Enhanced reputation and brand image |
| Risk management | Risk | Our Company operates in a high-risk business involving large amounts of data and funds. Any error in compliance and ensuring business sustainability can adversely affect our business and performance. | Optimizing our risk-return equation is possible through responsible risk identification and management processes – of both financial and non-financial risks. Our Company places immense focus on constantly strengthening and improving its risk management and control systems. | **Negatives**<br>▪ Unstable and unpredictable business<br>▪ Value destruction<br>▪ Affects business continuity |

## SECTION A: GENERAL DISCLOSURES

| Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Engagement with business partners | Risk | We work with several business partners in the regular course of our business. Any potential negative ESG impact through their operations could be a risk for us. | We are committed to imbibing ESG related factors while identifying and associating with our business partners. This approach will help us create sustained value in the long run. | **Negatives**<br>▪ Reputation risk<br>▪ Business losses |
| Diversity and Inclusion | Opportunity | Fostering diversity and inclusion within our Company not only nurtures innovation, creativity and a positive work culture but also extends our Company's reach in terms of talent acquisition. | | **Positives**<br>▪ Strong employer branding<br>▪ Ability to attract and retain superior talent |
| Responsible marketing | Risk | In the NBFC sector, there may be concerns related to misleading sales tactics, inaccurate marketing, aggressive selling strategies, and making false promises to facilitate sales. | We ensure that all our marketing initiatives and communication complies with all applicable regulations. It is our constant endeavor to ensure high level of transparency and clarity in all our marketing campaigns and communication. | **Negatives**<br>▪ Reputational damage<br>▪ Loss of customer trust<br>▪ Loss of business |
| Customer financial protection | Opportunity | With the rise in digital banking services, consumer financial protection plays a key role in establishing trust, ensuring regulatory compliance, and fostering financial inclusion. Effective protection measures, including educating customers about financial products and risks, ensure customer loyalty. | | **Positive**<br>▪ Aid customer acquisition<br>▪ Enhance customer trust and loyalty |
| Human rights | Risk | Upholding human rights through the promotion of equal opportunities, anti-discrimination, and the eradication of child and forced labor is not just a moral imperative but also a legal necessity. | We ensure that we provide a culture of equal opportunities, anti-discrimination within our organization, and do not engage with child and/or forced labor. Compliance with labor laws is paramount, for us at IIFL. | **Negatives**<br>▪ Reputational damage<br>▪ Financial and non-financial penalties |
| Climate Change and GHG emissions | Opportunity | Mitigating climate risks provides opportunities for enhancing efficiency, innovation and growth. Our Company seeks to reduce carbon footprint in its everyday operations. Furthermore, being an NBFC, we can play an important role in the fight against climate change through our products. Our community initiatives also involve regular tree plantation drives, maintenance of public gardens and similar initiatives. | | **Negatives**<br>▪ Drives better work environment<br>▪ Widens sources of fund raising to include development finance institutions |

## SECTION A: GENERAL DISCLOSURES

| Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|
| Resource management | Risk | Failing to manage resources like energy, water and waste properly poses several risks for company, including legal penalties due to non-compliance with environmental regulations. | At IIFL, we are committed to reduce the environmental footprint of our operations. Our focus lies on achieving resource efficiency in terms of energy, water, paper and e-waste, since we do not have any other significant environmental impact. | **Negatives**<br>▪ Reputational damage<br>▪ Increased operational costs<br>▪ Statements of business |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:**

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | | | | | | | | |
| b. Has the policy/policies been approved by the Board? (Yes/No) | Yes | | | | | | | | |
| c. Web Link of the policies, if available | https://www.iifl.com/finance/investor-relations/corporate-governance?redirect=menu-bar<br>The above URL contains the general policies of the Company that apply to all employees and stakeholders. These policies cover various aspects of our organization's vision, mission, values, ethics, compliance and governance. In addition to these general policies, there are also specific policies related to different functions and roles within the Company. These policies are accessible to the relevant employees through our intranet portal. The Human Resource department may be contacted for any questions or concerns about these policies. | | | | | | | | |
| 2. Whether the entity has translated the policy/policies into procedures. (Yes / No) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | | | | | | | | |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | All policies of our Company have been finalized based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders. We have engaged with an independent third party vendor to benchmark our policies with latest regulations/ industry benchmarks and update them, wherever needed. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | As part of its sustainability journey, the Company has prioritized the enhancement of its ESG performance year on year. IIFL has enhanced its ESG reporting every year by reporting as per different frameworks (GRI, IFRS, etc), focusing on areas of sustainable finance, financial inclusion, diversity and inclusion, reporting on scope 3 emissions, etc. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets (Also, reasons in case they are not met) * | Since FY 2022-23, IIFL Finance has started capturing and reporting data pertaining to certain categories of Scope 3 emissions across all its branches and offices. The Company has initiated the process of including its value chain partners into its ESG ambit. The Company has improved the process of BRSR data collection and tracking. The Company has started setting annual targets across key focus areas of ESG and will closely monitor its performance vis-à-vis these targets. | | | | | | | | |

# SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| | Policy and management processes | | | | | | | | |
| | **Governance, leadership and oversight** | | | | | | | | |
| 7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements<br>(listed entity has flexibility regarding the placement of this disclosure) | Dear Stakeholders,<br>We, at IIFL Finance, continue to play our part in broadening the ambit of lending to the under-served and under-banked sections of the society. Our vision statement aptly encapsulates our approach of growing responsibly, by taking along all key stakeholders of the Company. From sustainable finance to serving our communities, from nurturing our people to reducing the carbon footprint of our operations, our ESG performance and initiatives cover the entire spectrum. In the coming year, we will focus on working closely with our value chain partners to help them enhance their sustainability performance. We are also setting ESG targets and will be monitoring them closely to take corrective actions, wherever necessary. I express my heartfelt gratitude to all our stakeholders for their constant support in this journey.<br>Sincerely,<br>**Mr. R Venkataraman**<br>Joint Managing Director<br>DIN: 00011919<br>IIFL Finance Limited | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | **Mr. R Venkataraman**<br>Joint Managing Director<br>DIN: 00011919 | | | | | | | | |
| 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. | The Company has a Board-level ESG Committee consisting of Independent Directors and members of the senior management personnel to oversee, guide and monitor various aspects of ESG performance of the Company. A Non-Executive Non-Independent Director chairs the said Committee. The Board of Directors reviews the Company's sustainability performance and key initiatives thereof, regularly.<br>The Company has an ESG Committee in place which comprises of the following members as on March 31, 2025: | | | | | | | | |

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Arun Kumar Purwar | Chairperson |
| 2. | Mr. R Venkataraman | Member |
| 3. | Mr. Nihar Jambusaria | Member |
| 4. | Ms. Nirma Bhandari | Member |
| 5. | Ms. Madhu Jain | Member |
| 6. | Mr. Pranav Dholakia | Member |
| 7. | Mr. Kapish Jain | Member |

# SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

## 10. Details of review of the National Guidelines on Responsible Business Conduct (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, the review was undertaken by the following Board-level committees/Directors:<br>▪ Audit Committee<br>▪ CSR Committee<br>▪ Stakeholders' Relationship Committee<br>▪ Risk Management Committee<br>▪ IT Strategy Committee<br>▪ ESG Committee<br>▪ Customer Service Committee | Annually |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes, the review was undertaken by the following Board-level committees/Directors:<br>▪ Audit Committee<br>▪ CSR Committee<br>▪ Stakeholders' Relationship Committee<br>▪ Risk Management Committee<br>▪ IT Strategy Committee<br>▪ ESG Committee<br>▪ Customer Service Committee | Annually |

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

| P1, P2, P3, P4, P5, P6, P7, P8, P9 |
|---|
| No |

**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) | Not Applicable |
| The entity is not at a stage where it is able 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) | |
| It is planned to be done in the next financial year (Yes/No) | |
| Any other reason (please specify) | |

# SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

## PRINCIPLE 1:

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

## ESSENTIAL INDICATORS

**1. Percentage coverage by training and awareness programs on any of the principles during the financial year**

| Segment | Number of training and awareness programs held | Topic/principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programs |
|---|---|---|---|
| Board of Directors (BoD) | 1 | ▪ ESG<br>▪ BRSR | 100% |
| Key Managerial Personnel (KMP) | 5 | ▪ Program on Cyber Security for Officers (Non-IT officials) of NBFCs by CAB, Pune<br>▪ Program on Information Systems Control and Audit by IDRBT<br>▪ Online Program on Consumer Protection by RBI<br>▪ ESG<br>▪ BRSR | ▪ Others 100%<br>▪ ESG = 95% Completed<br>▪ BRSR = 95% Completed# |
| Employees other than BoD and KMPs | 199 | ▪ Anti-Money laundering<br>▪ KYC<br>▪ Gold loan process<br>▪ Data Privacy Awareness<br>▪ Information & Cyber Security<br>▪ Prevention Of Sexual Harassment<br>▪ Anti-Bribery & Corruption<br>▪ Customer Relationship Management | 95% |
| Workers | Not Applicable | | |

#Includes data for employees inactive as on March 31, 2025

# PRINCIPLE 1

**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):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **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 | National Stock Exchange of India Limited and BSE Limited ("Stock Exchanges") | ₹ 94,400 each to both Stock Exchanges, amounting to a total of ₹1,88,800 | Pursuant to Regulation 30 and 51 of the Listing Regulations (as amended from time to time) read with Para A of Part A of Schedule III of the Listing Regulations, IIFL Finance Limited ("IIFL") had received an email dated June 28, 2024 imposing penalty of ₹ 94,400 each, from the Stock Exchanges on which IIFL is listed, i.e. BSE and NSE, regarding penal action for non-compliance as per SEBI Circular w.r.t. non-submission of the financial results within stipulated timelines prescribed under Listing Regulations. IIFL paid the said penalty on June 29, 2024 and reported that there is no material impact on the financials, operations, or other activities of the Company. | No |
| Settlement | - | - | - | - | - |
| Compounding fee | - | - | - | - | - |

| Non-Monetary | | | | |
|---|---|---|---|---|
| **Particulars** | **NGRBC principle** | **Name of the regulatory/ enforcement agencies/ judicial institutions** | **Brief of the case** | **Has an appeal been preferred? (Yes/No)** |
| Imprisonment | - | - | - | - |
| 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 | |

# PRINCIPLE 1

## 4. Anti-corruption/ Anti-bribery

| Particulars | |
|---|---|
| **Does the entity have an anti-corruption or anti-bribery policy?**<br>**If yes, provide details in brief and if available, provide a web-link to the policy.** | Yes.<br>https://www.iifl.com/finance/anti-corruption-policy<br>Our Company has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies and codes. The policy applies to all staff including Directors, officers, shareholders of the Company and all appointed third party representatives of the Company such as agents, consultants, others working on behalf of the Company, irrespective of their location, function or grade. We have mandatory training on anti-corruption and anti-bribery policies and procedures, covering 100% employees, undertaken annually. |

## 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | NA | NA |

## 6. Details of complaints regarding conflict of interest

| Particulars | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | NA | Nil | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | NA | Nil | NA |

## 7. 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

With respect to the fine imposed by the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited, the Company promptly settled the fine and took measures to ensure that such incidents do not recur in the future.

## 8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Number of days of accounts payables | 85.32 | 56.63 |

# PRINCIPLE 1

**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:

| Parameter | Metrics | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| 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 purchases from trading houses | - | - |
| Concentration of Sales | a. Sales to dealers / distributors as % of total sales | - | - |
| | b. Number of dealers / distributors to whom sales are made | - | - |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | - | - |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.45% | 2.08% |
| | b. Sales (Sales to related parties / Total Sales) | 2.09% | 4.54% |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | - | - |
| | d. Investments | 39.58% | 40.88% |

## LEADERSHIP INDICATORS

**1. Awareness programs conducted for value chain partners on any of the principles during the financial year:**

While we have initiated awareness programs across value chain partners through emails during the year under review, our endeavor is to expand the coverage to include all value chain partners over the next 2-3 years.

**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.

The Directors are required to disclose their interests in other entities and related parties in line with Sections 184 and 2(76) of the Companies Act, 2013. This disclosure must be made at the first Board meeting after their appointment, at the first Board meeting of each financial year, and within 30 days of any change in the disclosed information. Directors with a vested interest in any transaction must refrain from participating in its discussion or approval.

IIFL Finance adheres to a Code of Conduct for Directors and Senior Management that promotes ethical behavior and prevents conflicts of interest. All Board members and senior management affirm their compliance annually, with a declaration signed by the Chairperson. Additionally, the Company has a Related Party Transactions Policy, ensuring compliance with SEBI regulations. The Company's Code of Conduct outlines procedures for identifying, managing, and disclosing conflicts of interest

# PRINCIPLE 2:

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

## 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:**

   We spent ₹ 5.57 Crores and ₹ 14.9 Crores during FY 2024-25 and FY 2023-24, respectively, towards capex which helped us enhance digitalization/automations. We continue to invest in improving our digital capabilities and platforms. This helps us in providing superior experience to our customers with enhanced convenience. At the same time, our digitalization initiatives help us achieve cost rationalization and reduce dependence on paper as well as on in-person meetings. This in turn helps us minimize the environmental footprint of our operations.

2. **Sustainable sourcing**

| Particulars | |
|---|---|
| Does the entity have procedures in place for sustainable sourcing? (Yes/No) | Our Company, being a financial services Company, does not have any goods and raw material consumption as part of its products and services. Our Company's major material requirements are related to office infrastructure, administration and IT related equipment and services. Although, there is very limited procurement requirement, we take various initiatives to have responsible sourcing. |
| If yes, what percentage of inputs were sourced sustainably? | Not Applicable |

We are committed to minimizing the environmental impact of our operations, including our office infrastructure and IT-related equipment. We follow best practices for procuring such inputs, including seeking out environmentally friendly options, minimizing waste, and promoting recycling and energy conservation. We remain dedicated to promoting sustainable practices in all aspects of our operations.

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.**

   Given the nature of our business, this disclosure is not material for our Company. However, we do follow the practice of responsible disposal of our wastes, as described below:

**Plastics (including packaging):**

There are no single-use plastics being used across any of our branches and offices. We use 100% bio degradable plastic garbage bags to collect and dispose dry and wet wastes in larger offices (>5,000 sq.ft.).

**E-waste:**

For the past 5 years, we have been working with reputed e-waste vendors to ensure safe disposal of e-wastes. Accordingly, all scrap electronic assets like Computers, Tablets, Printers, Scanners, Servers, Batteries, etc. are disposed through such registered e-waste vendors.

## PRINCIPLE 2

**Hazardous waste:**

Not applicable

**Other waste:**

Dry waste and wet waste is segregated and stored separately at 4 large offices. Same is picked by respective Municipal authorities.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

Given the nature of our business, this disclosure is not relevant for our Company.

## 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.**

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.**

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).**

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Not applicable since IIFL is not a manufacturing entity.

# PRINCIPLE 3:

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

## ESSENTIAL INDICATORS

### 1. Details of measures for the well-being of employees and workers

#### a. Employees

| Category | Total (A) | Percentage of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 10,874 | 10,874 | 100% | 10,874 | 100% | NA | NA | 10,874 | 100% | 10,874 | 100% |
| Female | 3,908 | 3,908 | 100% | 3,908 | 100% | 3,908 | 100% | NA | NA | 3,908 | 100% |
| **Total** | **14,782** | **14,782** | **100%** | **14,782** | **100%** | **3,908** | **26%** | **10,874** | **74%** | **14,782** | **100%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 312 | 102 | 33% | 210 | 67% | NA | NA | NA | NA | NA | NA |
| Female | 149 | 141 | 95% | 8 | 5% | NA | NA | NA | NA | NA | NA |
| **Total** | **461** | **243** | **53%** | **218** | **47%** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |

* Maternity and Paternity benefits are extended to all permanent female and male employees however, 4% of women employees and 5% of male employees have taken the benefit in FY 2024-25. 11 employees (7 women, 4 men) availed the daycare facilities in FY 2024-25.

Employees under a fixed-term contract with our Company are not covered under Health insurance.

Apprentices are not covered in Accident insurance.

#### b. Workers

The Company does not have any worker as defined in the guidance note of BRSR.

#### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Cost incurred on wellbeing measures as a % of total revenue of the Company | 0.46 | 0.36 |

### 2. Details of retirement benefits, for current and previous Financial Year.

| Benefits | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Yes/ No/N.A.) | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Yes/ No/N.A.) |
| PF | 91% | Y | 85% | Y |
| Gratuity | 100% | Y | 100% | Y |
| ESI | 24% | Y | 29% | Y |
| Others – please specify | 0% | NA | 0% | NA |

All employees with monthly earnings less then ₹15,000/- are covered under PF, as per PF Law. Other employees can voluntarily opt for PF. Employees whose monthly earnings are less than ₹21,000/- are covered under ESI.

# PRINCIPLE 3

**3. Accessibility of workplaces:**

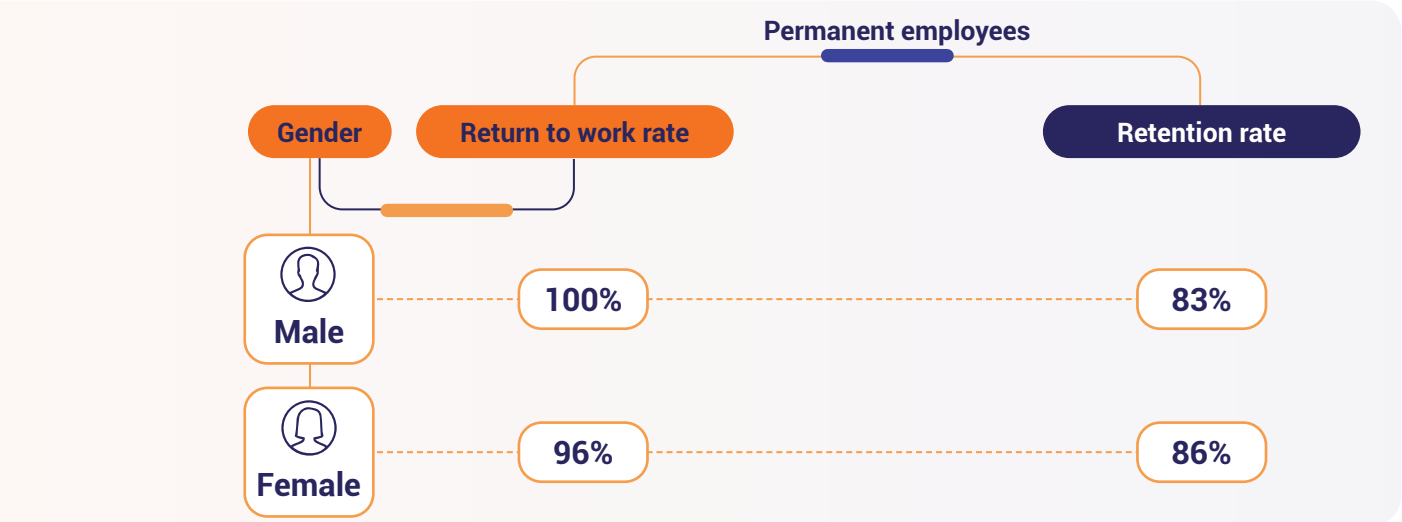
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

` Yes. Wheelchairs and wheelchair ramps for specially-abled people are available at all commercial offices of the Company.

**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 code of conduct document can be referred, as the existing policy covers equal opportunities rights. IIFL's code of conduct is available in the HR Handbook and can be accessed by all the employees through the intranet portal.

**5. Return to work and Retention rates of permanent employees that took parental leave.**




*The Company does not have any worker as defined in the guidance note of BRSR.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

| Particulars | Yes/No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent employees | Yes, there is a mechanism available to receive and redress grievances from the employees. Management strongly enforces compliance with the approved code of conduct and ethics.<br>Complaints related to fraud/unethical practices are appropriately investigated and relevant actions are undertaken. The reporting of misconducts can be done through the Whistle Blower email, FIT helpline, contacting the senior management/ IRA / HR. The same are well displayed and communicated to all employees at joining and is published on intranet. |
| Other than permanent employees | There are various means by which the grievances can be addressed:<br>i) FIT helpline portal<br>ii) E-mail to generic ID (whistleblower@iifl.com)<br>iii) E-mail to IRA with a copy to local HR<br>Central SPOC directs the grievance e-mail to the zonal head of HR. A formal meeting is arranged with the employee, IRA and Skip level manager address the issue and validate the facts. At every stage, the employee is kept informed and formal communication on the decision and the actions taken is sent to all the employees involved. |

*The Company does not have any worker as defined in the guidance note of BRSR.

# PRINCIPLE 3

**7. Membership of employees in association(s) or Unions recognized by the listed entity:**

The Company does not have any employee association. However, the Company recognizes its employees' right to freedom of association and does not discourage collective bargaining.

**8. Details of training given to employees:**

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures | | On skill upgradation | |
| | | No. (B) | % (B /A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 11,186 | 6,221 | 56% | 11,117 | 99% | 11,772 | 2,806 | 24% | 10,702 | 91% |
| Female | 4,057 | 2,193 | 54% | 4,020 | 99% | 4,403 | 857 | 19% | 4,121 | 94% |
| **Total** | **15,243** | **8,414** | **55%** | **15,137** | **99%** | **16,175** | **3,663** | **23%** | **14,823** | **92%** |

**9. Details of performance and career development reviews of employees:**

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D /C) |
| **Employees** | | | | | | |
| Male | 11,186 | 8,065 | 72% | 11,198 | 8,874 | 79% |
| Female | 4,057 | 2,687 | 66% | 3,794 | 2,993 | 79% |
| **Total** | **15,243** | **10,752** | **71%** | **14,992** | **11,867** | **79%** |

**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, the coverage of such a system?**

Yes. Our Company is responsible for providing its employees with a safe and healthy work environment. We have implemented the following steps to ensure the health and safety of our employees:

### 1. Providing a safe work environment

Our Company's office premises are designed to promote safety and reduce the risk of accidents. This includes keeping the workspace clean, ensuring proper lighting and ventilation and addressing any potential safety hazards.

### 2. Training employees

Our Company provides regular training on safety practices, response to emergencies like fire/earthquake emergency, etc. to our employees.

### 3. Offering ergonomic support

Our Company provides ergonomic support to employees who sit for long periods, work on computers, or perform other repetitive tasks. This includes providing ergonomic chairs, desks, and other equipment that can help reduce the risks of musculoskeletal disorders.

# PRINCIPLE 3

## 4. Encouraging healthy habits

Our Company encourages employees to adopt healthy habits such as taking breaks, staying hydrated, and practicing good posture to prevent fatigue and injury.

## 5. Creating a culture of safety

Our Company has created a culture of safety by encouraging employees to report any safety concerns or incidents and by providing resources and support to address these concerns.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Given the nature of business, this is not directly applicable to our Company. However, regular safety inspections are conducted of our facilities and equipment to identify potential hazards. This includes inspecting electrical systems, machinery and emergency exits. Our Company also involves employees in the hazard identification and risk assessment process by encouraging them to report any safety concerns or hazards they identify.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Given the nature of the business, this is not directly applicable to the Company.

**d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All employees of our Company are covered under health insurance and personal accident policy.

**11. Details of safety related incidents:**

Not Applicable.

# PRINCIPLE 3

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The following steps have been taken to ensure a healthy and safe workplace:

### Providing a safe work environment

Our Company's office premises are designed to promote safety and reduce the risk of accidents. This includes keeping the workspace clean, ensuring proper lighting and ventilation and addressing any potential safety hazards.

### Training employees

Our Company provides regular training on safety practices, response to emergencies like fire/earthquake emergency, etc. to our employees.

### Offering ergonomic support

Our Company provides ergonomic support to employees who sit for long periods, work on computers, or perform other repetitive tasks. This includes providing ergonomic chairs, desks, and other equipment that can help reduce the risks of musculoskeletal disorders.

### Encouraging healthy habits

Our Company encourages employees to adopt healthy habits such as taking breaks, staying hydrated, and practicing good posture to prevent fatigue and injury.

### Creating a culture of safety

Our Company have created a culture of safety by encouraging employees to report any safety concerns or incidents and by providing resources and support to address these concerns.

**13. Number of complaints on the following made by employees**

| Particulars | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health & Safety | Nil | Nil | Nil | Nil | Nil | Nil |

## PRINCIPLE 3

**14. Assessments for the year**

| Particulars | Percentage of your offices that were assessed (By entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | All our offices are assessed internally periodically through internal audits for various aspects of health and safety measures and related working conditions. |
| Working conditions | During these assessments, various aspects like emergency preparedness, workstation ergonomics, training on health and safety & documentation are evaluated. The Company proactively identifies any gaps or improvement areas in health and safety practices and 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.**

Nil.

## LEADERSHIP INDICATORS

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/ No) (B) Workers (Yes/No)?**

(A) Yes

(B) Not Applicable. The Company does not have any worker as defined in the guidance note of BRSR.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Our Company monitors remittance of statutory dues by value chain partners with periodic interactions. Various awareness programs and meetings are being arranged with value chain partners for the same.

**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:**

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)**

No.

**5. Details on assessment of value chain partners:**

| Particulars | Percentage of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | While IIFL does not have standard operating procedures (SOPs) for this, the Company encourages its value chain partners to adopt the best practices in these areas. This is achieved through regular monitoring and evaluation of the partners' compliance with relevant regulations and guidelines. IIFL recognizes that the health and safety of its employees and partners are crucial, and it is committed to providing a safe and healthy working environment. |
| 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 THEIR STAKEHOLDERS

## ESSENTIAL INDICATORS

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Our Company looks at individuals and groups that make a fundamental impact on its operations and performance. If this impact results in value addition to the Company, then they are described as a key stakeholder. They play an important role in helping our Company determine its goals, aspirations and in helping gauge the Company's progress towards these goals. We also focus on strengthening our understanding about the impact we make on our various stakeholder groups.

Following are the steps we take while engaging with our stakeholders:

1. Identify stakeholders
2. Prioritize stakeholders
3. Execute stakeholder engagement plans
4. Understand stakeholder expectations and aspirations
5. Disseminate insights gained through stakeholder conversations to update material matters as needed
6. Monitor and report back to stakeholders regarding the progress made on their needs

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Group | Whether identified as vulnerable and 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 |
|---|---|---|---|---|
| **Customers** | Some of our customers are identified as vulnerable and marginalized | ▪ Emails<br>▪ Calls<br>▪ SMS<br>▪ WhatsApp<br>▪ Website<br>▪ Social media<br>▪ Marketing campaigns<br>▪ Branch visits and relationship managers<br>▪ Customer satisfaction surveys | ▪ Ongoing and regular | ▪ Business performance<br>▪ Customized financial products and services<br>▪ Competitive interest rates<br>▪ Access to physical and digital channels<br>▪ Seamless customer service<br>▪ Secure transactions<br>▪ Fair and responsive grievance redressal mechanism |

## PRINCIPLE 4

| Group | Whether identified as vulnerable and 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 |
|---|---|---|---|---|
| **Shareholders/ Investors** | No | ▪ Investor meets/calls<br>▪ Investor presentations<br>▪ Annual General Meeting<br>▪ Investor grievance channels<br>▪ SMS<br>▪ Email<br>▪ Website<br>▪ Annual Report<br>▪ Sustainability Report | ▪ Annual<br>▪ Quarterly<br>▪ Ongoing and regular | ▪ Ethical business practices and good corporate governance<br>▪ Regular dividends<br>▪ Sustainable performance and value creation<br>▪ ESG integration into strategy and operations<br>▪ Transparent reporting and disclosure |
| **Employees** | No | ▪ Town halls<br>▪ Email<br>▪ SMS<br>▪ One-on-One meetings<br>▪ Training and Development workshops<br>▪ Engagement initiatives<br>▪ Learning through online modules<br>▪ Digital apps for employees<br>▪ Performance appraisal | ▪ Quarterly and as and when required | ▪ Training and development<br>▪ Fair and timely remuneration<br>▪ Reward, recognition, and appreciation for performance<br>▪ Diverse, open, non-discriminatory, and safe working environment<br>▪ Work-life balance |
| **Communities/ NGOs** | Yes | ▪ Regular CSR initiatives<br>▪ Community meetings<br>▪ Employee volunteering | ▪ Annually and as and when required | ▪ Social upliftment<br>▪ Enhancing financial literacy<br>▪ Community welfare initiatives |

## PRINCIPLE 4

| Group | Whether identified as vulnerable and 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/ Regulators** | No | ▪ Email<br>▪ Meetings<br>▪ One-on-One meetings<br>▪ Written communications | ▪ Mandatory regulatory filings.<br>▪ Periodical submission of business performance | ▪ Compliance with laws and regulations<br>▪ Ethical business conduct<br>▪ Active participation in industry and regulatory working groups |
| **Business partners/ Suppliers** | Some of our business partners/ suppliers are identified as vulnerable and marginalized | ▪ Email<br>▪ SMS<br>▪ Meetings<br>▪ Seminars and workshops | ▪ Quarterly and as and when required | ▪ Business performance<br>▪ Fair & ethical procurement and engagement practices |

## LEADERSHIP INDICATORS

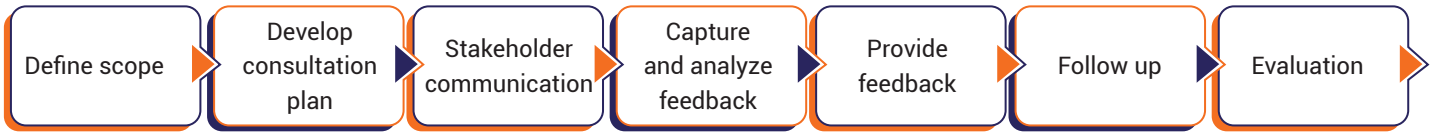
1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Our Company firmly believes in consistent engagement with its key stakeholders to ensure better communication of its performance and strategy. The Board of Directors is periodically updated on diverse topics covering specific sector overviews, customer service-related updates, digital initiatives, Corporate Social Responsibility related projects/initiatives, financial performance, strategy, etc. The Directors are also given an overview of the regulatory regime including material regulatory developments, circulars, and amendments by Government and Regulatory bodies, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, the Ministry of Finance, and the Reserve Bank of India.

   The various Board-level committees provide regular updates on feedback received from stakeholders, these include, but are not limited to: The Corporate Social Responsibility Committee of the Board, The Risk Management Committee of the Board, ESG Committee

## PRINCIPLE 4

The following process is followed for consultation between stakeholders and the board:




The objective is to ensure that the process is transparent, inclusive, and responsive to stakeholder inputs.

a. **Defining the scope of consultation** - The scope is clearly defined including the topics to be covered, the timeframe for the consultation, and the method that will be used to gather feedback.

b. **Developing a consultation plan** - A consultation plan is developed that outlines the methods that will be used to engage stakeholders, such as public meetings, online surveys, focus groups, or individual interviews.

c. **Communication with stakeholders** - It is ensured that the stakeholders are aware of the consultation process and have the opportunity to provide feedback. This includes developing an information package, hosting public meetings or webinars, and conducting one-on-one meetings with key stakeholders.

d. **Feedback capturing and analysis** - The feedback is gathered and analyzed to identify common themes, concerns, and priorities, which are then used in the decision-making process.

e. **Providing feedback to stakeholders** - Feedback is also provided to stakeholders on how their inputs have been used in the decision-making process. This helps us to build trust and transparency and encourage future engagement.

f. **Follow-up** - After decisions are made, stakeholders are informed of the decision and any next steps.

g. **Evaluation** - The consultation process is reviewed and evaluated in a periodic manner to identify areas for improvement.

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, our Company's continual engagement with its stakeholders serves to ensure that it creates holistic and sustainable value for each stakeholder group. This approach has resulted in various initiatives being put in place towards responsible lending, economic growth, equal opportunity, diversity and inclusion policy, data privacy policy, among others.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Our Company under its CSR Policy and through India Infoline Foundation undertakes following activities - literacy centers for out-of-school girls in the tribal hamlets of Rajasthan, skill development programs for the youth in aspirational districts, support to government schools for development of infrastructure and digital learning platform, medical camps for economically weaker section in Uttar Pradesh and Maharashtra, machinery and other infrastructure support to government hospitals, disaster relief activity, among others.

# PRINCIPLE 5:

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

## ESSENTIAL INDICATORS

1. **Employees 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 covered (B) | % (B / A) | Total (C) | No. of employees covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 14,782 | 14,689 | 99% | 14,829 | 14,690 | 99% |
| Other than permanent | 461 | 448 | 97% | 1,346 | 1,334 | 99% |
| **Total employees** | **15,243** | **15,137** | **99%** | **16,175** | **16,024** | **99%** |

*The Company does not have any worker as defined in the guidance note of BRSR.

2. **Details of minimum wages paid to employees:**

| 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** | | | | | | | | | | |
| Male | 10,874 | 8,384 | 77.10% | 2,490 | 22.90% | 11,043 | 8,466 | 76.66% | 2,577 | 23.34% |
| Female | 3,908 | 3,469 | 88.77% | 439 | 11.23% | 3,786 | 3,213 | 84.87% | 573 | 15.13% |
| **Other than permanent** | | | | | | | | | | |
| Male | 312 | 82 | 26% | 230 | 74% | 155 | 2 | 1% | 153 | 99% |
| Female | 149 | 118 | 79% | 31 | 21% | 8 | 0 | 0% | 8 | 100% |

*The Company does not have any worker as defined in the guidance note of BRSR.

Apprentices are paid monthly stipend.

3. **Details of remuneration/salary/wages:**

a. **Median remuneration / wages:**

| Particulars | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (₹ In Crores) | Number | Median remuneration/ salary/ wages of respective category (₹ In Crores) |
| Board of Directors (BoD)** | 1 | 12.26 | - | - |
| Key Managerial Personnel (KMP)# | 2 | 1.4 | 1 | 0.4 |
| Employees other than BoD and KMP | 11,184 | 0.038 | 4,056 | 0.032 |

*The Company does not have any worker as defined in the guidance note of BRSR.

**Remuneration of Mr. R Venkataraman for FY 2024-25 is paid by another group Company i.e. IIFL Capital Services Limited.

#The figure reflects the median remuneration

Includes one exited KMP employee

# PRINCIPLE 5

**b. Gross wages paid to females as % of total wages paid by the entity**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Gross wages paid to females as % of total wages | 21.00% | 21.74% |

**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.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

As an employee centric entity, employees are encouraged to come forward and report their grievances or any other concerns affecting the entity (company values and culture) or them.

There are various means by which the grievances can be addressed:

i. E-mail to generic ID (employeegrievance@iifl.com)

ii. Raise grievance through HRMS portal

iii. E-mail to IRA with copy to local HR

**6. Number of complaints on the following made by employees**

| Particulars | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | 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 | 8 | 1 | 1 case filed in February '25 was carried forward and closed in April within 90 days | 6 | 2 | 1 Case re-opened due to fresh evidence provided and hence gone back beyond 90 days, rest 1 case within 90 days (hearings on) |
| Discrimination at workplace | Nil | Nil | Nil | Nil | Nil | NA |
| Child labor | Nil | Nil | Nil | Nil | Nil | NA |
| Forced labor / Involuntary labor | Nil | Nil | Nil | Nil | Nil | NA |
| Wages | Nil | Nil | Nil | Nil | Nil | NA |
| Other human rights related issues | Nil | Nil | Nil | Nil | Nil | NA |

## PRINCIPLE 5

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 8 | 6 |
| Complaints on POSH as a % of female employees / workers | 0.21% | 0.15% |
| Complaints on POSH upheld | 2 | 4 |

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Our Company has implemented policies like Employee Grievance Redressal Policy and POSH to prevent discrimination and harassment cases, which outline unacceptable behavior and the consequences for violating the policies. These are communicated to all the employees and regular training is provided to ensure everyone understands the policies and knows how to report any incidents. The organization encourages employees to report any incidents of discrimination or harassment without any fear of retaliation. Employees have been made aware of the reporting mechanisms available to them, such as the hotline and internal grievance redressal committee.

The organization promptly investigates all reported incidents of discrimination or harassment. The investigations are conducted in a fair and impartial manner, and all parties involved are given the opportunity to present their side of the story. If an incident of discrimination or harassment is found to have occurred, the organization takes appropriate action based on the severity of the incident and the policy violation. This includes disciplinary action such as suspension or termination of employment and providing support to the victim.

A whistleblower policy is in place where an employee can raise a complaint anonymously. Throughout the investigation, it is ensured that the complainant's identity is not disclosed. It is ensured that each complaint raised is proactively investigated and resolved quickly. Our Company has developed a work environment that is respectful, supportive, and inclusive, by providing regular training on diversity and inclusion, promoting a culture of respect and providing support to employees who may have experienced discrimination or harassment.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, our Company ensures a clause is added in vendor documents stating that the vendors are in compliance of applicable laws. Service providers shall comply with all laws (including anti-corruption and anti-money laundering laws) applicable to parties.

**10. Assessments for the year**

| Particulars | Percentage of your offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labor | The assessment of human rights at IIFL is a crucial component of the Company's operations. IIFL recognizes its responsibility to respect and protect human rights and is committed to promoting a workplace that is free from any form of human rights violations. The Company closely monitors and evaluates its operations to ensure compliance with relevant regulations and guidelines, particularly on issues such as child labor, forced labor, sexual harassment, discrimination, and wages. Although the Company does not have standard operating procedures (SOPs) specifically for these issues, IIFL ensures that it follows best practices and takes appropriate measures to address any violations that may arise. This includes providing training programs to its employees to promote awareness of human rights issues and ensure compliance with applicable laws and regulations. By prioritizing the protection of human rights, IIFL is creating a sustainable business that is committed to upholding ethical standards and promoting the well-being of its employees and stakeholders |
| Forced/involuntary labor | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – HR Policy, Working Conditions etc. | |

## PRINCIPLE 5

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No corrective action pertaining to Question 10 was necessitated by the Company during FY 2024-25.

## LEADERSHIP INDICATORS

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

The Company has not received any grievances/ complaints regarding human rights violations during FY 2024-25.

**2. Details of the scope and coverage of any human rights due diligence conducted.**

Great Place to work surveys are conducted every year. In the survey, questions related to human rights are touched upon. Based on this, yearly reports are published.

**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. Wheelchairs and wheelchair ramps for specially-abled people are available at all commercial offices of the Company.

**4. Details on assessment of value chain partners:**

| Parameter | Percentage of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual harassment | Our Company expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings and services. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of value chain partners by the Company and its subsidiaries.<br><br>All the value chain partners are mandated through declaration to adhere to the Code of Conduct principles of the Company. Contract is not renewed or terminated, in case of non-adherence to COC or Contract Terms & Conditions. |
| Discrimination at workplace | |
| Child labor | |
| Forced labor/ Involuntary labor | |
| 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.**

No corrective action pertaining to question 4 was necessitated by the Company during FY 2024-25.

# PRINCIPLE 6:

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

## ESSENTIAL INDICATORS

1. **Details of total energy consumption (in GigaJoule) and energy intensity**:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 3,194.68 | 2,121.64 |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumption from renewable sources (A+B+C)** | **3,194.68** | **2,121.64** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 61,206.26 | 63,717.37 |
| Total fuel consumption (E) | 310.98 | 316.12 |
| Energy consumption through other sources (F) | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | **61,517.25** | **64,033.49** |
| **Total energy consumed (A+B+C+D+E+F)** | **64,711.93** | **66,155.13** |
| Energy intensity per ₹ of turnover (Total energy consumed/ Revenue from operations) | 0.0000015860 | 0.0000014368 |
| **Energy intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP)**** (Total energy consumed / Revenue from operations adjusted for PPP) | 0.0000327676 | 0.0000296837 |
| Energy intensity in terms of physical Output | 4.3777519957 | 4.4611996763 |

**The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2025, which is 20.66.

The physical output intensity has been calculated based on the Full-Time Equivalent (FTE) of employees, considering only permanent employees, however, we aim to enhance this disclosure in subsequent years by including employees beyond the permanent workforce.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

No.

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? (Yes/No) 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.**

Not Applicable.

# PRINCIPLE 6

## 3. Details of disclosures related to water:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 52,541 | 28,339 |
| (iii) Third party water | 42,280 | 39,665 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others (rain water harvesting) | 85 | 300 |
| **Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)** | **94,905** | **68,304** |
| **Total volume of water consumption (in kiloliters)** | **94,905** | **68,304** |
| **Water intensity per ₹ of turnover** (Water consumed / Revenue from operations) | 0.0000023261 | 0.0000014834 |
| **Water intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP)**** (Total water consumption / Revenue from operations adjusted for PPP) | 0.0000480563 | 0.0000306479 |
| Water intensity in terms of physical output | 6.4203294547 | 4.6061096500 |

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The physical output intensity has been calculated based on the Full-Time Equivalent (FTE) of employees, considering only permanent employees, however, we aim to enhance this disclosure in subsequent years by including employees beyond the permanent workforce.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

No.

## 4. Provide the following details related to water discharged

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kiloliters)** | | |
| **(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 | 94,905 | 68,304 |
| -With treatment – please specify level of treatment | - | - |
| **(v) Others** | | |
| -No treatment | - | - |
| -With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kiloliters)** | **94,905** | **68,304** |

The water used in our Company-owned premises is discharged into the municipal sewage system, as our offices are located in buildings. Wastewater generation is equal to water withdrawal.

**Note:** Any Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency

No

## PRINCIPLE 6

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No, being a financial services company, our Company does not consume or discharge huge amount of water/liquid products.

**6. Details of air emissions (other than GHG emissions) by the entity**

Not Applicable. IIFL is a financial services company.

**Note:** Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency

No.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions*) & its intensity, in the following format:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **Total Scope 1 emissions** | TCO2e | 23.65 | 19.91 |
| **Total Scope 2 emissions** | TCO2e | 12,360.26 | 12,672.68 |
| **Total Scope 1 and Scope 2 emission intensity per ₹ of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | 0.0000003035 | 0.0000002757 |
| **Total Scope 1 and Scope 2 emission intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP)**** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | 0.0000062707 | 0.0000056951 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | 0.8377695846 | 0.8559302718 |

*EPA's GHG Emission Factors Hub, CEA's CDM - CO2 Baseline Database User Guide Version 20 has been used for the purpose of GHG Emissions calculations.

**The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2025, which is 20.66.

The physical output intensity has been calculated based on the Full-Time Equivalent (FTE) of employees, considering only permanent employees, however, we aim to enhance this disclosure in subsequent years by including employees beyond the permanent workforce.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

We have obtained ISO 14001:2015 certification for 3 of our larger branches in Mumbai, Thane and Bangalore. ISO 14001:2015 is an international standard for environmental management systems (EMS). It provides a framework for organizations to develop, implement, and improve their EMS, focusing on environmental protection, resource management, and compliance.

In essence, ISO 14001:2015 helps organizations demonstrate their commitment to environmental responsibility and provides a structured approach to managing their environmental performance, fostering a culture of continuous improvement.

Received Gold LEED Certificate for Gurugram office

Adopted renewable energy in our Hubtown office, Mumbai through Tata Green Tariff scheme

Treatment of e-waste in environment friendly manner

# PRINCIPLE 6

Drive digitalization and reduce paper consumption

Started reporting data for scope 3 emissions (Business travel, capital goods purchased, paper/IT products procured, etc.)

Rolled out bamboo based tissue papers (BECO) in our Hubtown office, Mumbai in March 2024 and put up banners in office for employee awareness

## 9. Details related to waste management by the entity:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Total waste generated (in tonnes)** | | |
| Plastic waste (A) | 1.07 | 1.15 |
| E-waste (B) | 5.31 | 9.46 |
| Paper waste (C) | 28.08 | - |
| 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) | - | - |
| **Total (A+B + C + D + E + F + G + H)** | 34.46 | 10.61 |
| **Waste intensity per ₹ of turnover** (Total waste generated / Revenue from operations) | 0.0000000008 | 0.0000000002 |
| **Waste intensity per ₹ of turnover adjusted for Purchasing Power Parity (PPP)*** (Total waste generated / Revenue from operations adjusted for PPP) | 0.0000000174 | 0.0000000048 |
| Waste intensity in terms of physical output | 0.0023312136 | 0.0007154899 |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | **FY 2024-25** | **FY 2023-24** |
| (i) Recycled | - | - |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | 34.46 | 10.61 |
| **Total** | **34.46** | **10.61** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | - | - |
| (ii) Landfilling | - | - |
| (iii) Other disposal operations | - | - |
| **Total** | - | - |

*The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2025, which is 20.66.

The physical output intensity has been calculated based on the Full-Time Equivalent (FTE) of employees, considering only permanent employees, however, we aim to enhance this disclosure in subsequent years by including employees beyond the permanent workforce.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/ No) If yes, name of the external agency.

No.

## PRINCIPLE 6

**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.**

Our Company takes a holistic approach to waste management. Waste from electronic and paper products is the major waste generated in the facilities owned by our Company. We have begun to cut down on paper usage as a result of digitalization of our operations/services. We have been recycling electronic waste through authorized vendors of e-waste. Our Company has been taking conscious efforts to reduce usage of paper across its operations. Measures have been implemented to this effect, such as access based printing, default printing on both sides of the paper across all our offices. Employees are encouraged to adopt digital/online mediums to reduce paper consumption.

100% bio-degradable plastic garbage bags are used to collect dry and wet waste.

**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**

Not Applicable, all the offices are in commercial areas.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, In the current financial year:**

Not Applicable

**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 (Yes/No). If not, provide details of all such non-compliances:**

Yes. The organization is compliant with all applicable laws, rules and regulations.

## LEADERSHIP INDICATORS

**1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters). For each facility/ plant located in areas of water stress, provide the following information - (i) Name of the area, (ii) Nature of operations, (iii) Water withdrawal, consumption and discharge.**

This is presently not considered material to our Company. Nevertheless, we will explore the possibility of including its disclosure in subsequent reporting cycles.

**2. Please provide details of total Scope 3 emissions and its intensity:**

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 3 emissions | Metric tonnes of $CO_2$ equivalent | 21,818.79 | 1,985.87 |
| **Total Scope 3 emissions per ₹ of turnover** | | 0.0000005348 | 0.0000000431 |
| **Total Scope 3 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*** | | 0.0000110482 | 0.0000008911 |

In the current reporting period, comprehensive disclosures have been made for categories 1, 2, 3, 5, and 6, marking a significant improvement over the previous year, during which reporting was limited to partial purchase data in Categories 1 and 2.

*The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2025, which is 20.66.

**Note:** Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency

No

**3. With respect to the ecologically sensitive areas reported at Question 11 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.

# PRINCIPLE 6

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:**

   The Company has not undertaken any of the above mentioned initiatives in FY 2024-25.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes. Organization is ISO22301:2019 (BCMS) Certified that ensures a robust Business Continuity and Disaster Management Framework implemented for uninterrupted business operations and mitigation of potential disruptions.

   Business Impact Analysis (BIA) is performed to understand potential impact of disruptions on critical business functions, financial stability, and reputation by prioritizing key processes and resources.

   Risk assessments are carried out to identify potential threats like natural deluges, regulatory changes, and operational failures. Based on the inputs received from Recovery Strategy Risk Assessment (RSRA) and BIA, we tailor and develop critical department wise BC Plans and ITDR Entity (NBFC) Plan based on ISO 22301:2019.

   Awareness training is conducted semi-annually for employees and Crisis Management Training is given to leaders with a simulation exercise on an annual basis. Further, Call Tree, Tabletop, WFH and Alternative Site Testing is a part of BC Testing whereas ITDR Drills (basis RBI direction) and IT HA Testing is part of ITDR.

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, IIFL being a financial services entity.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   No such assessment was carried out in FY 2024-25.

8. **How many Green Credits have been generated or procured:**

   Nil.

# PRINCIPLE 7:

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

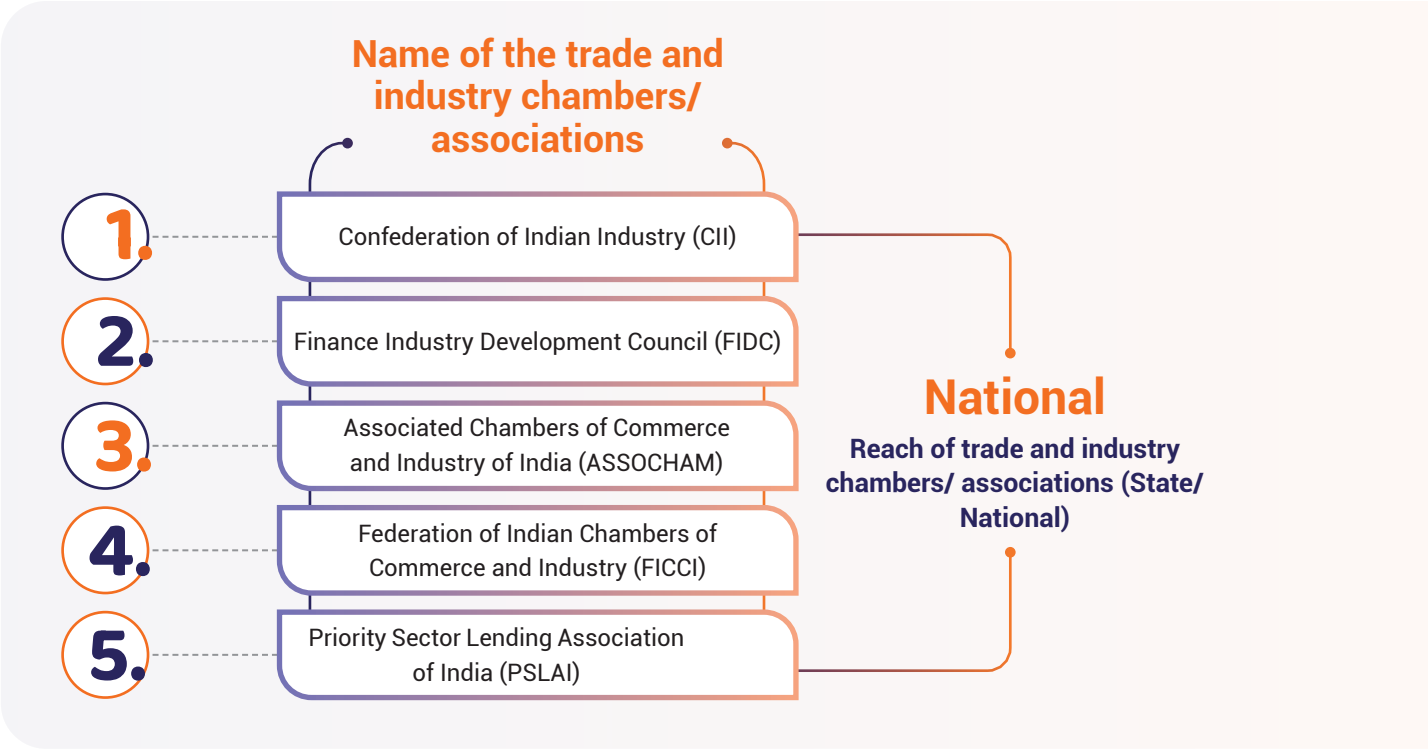
## ESSENTIAL INDICATORS

1. **Affiliation with trade and industry chambers/ associations.**

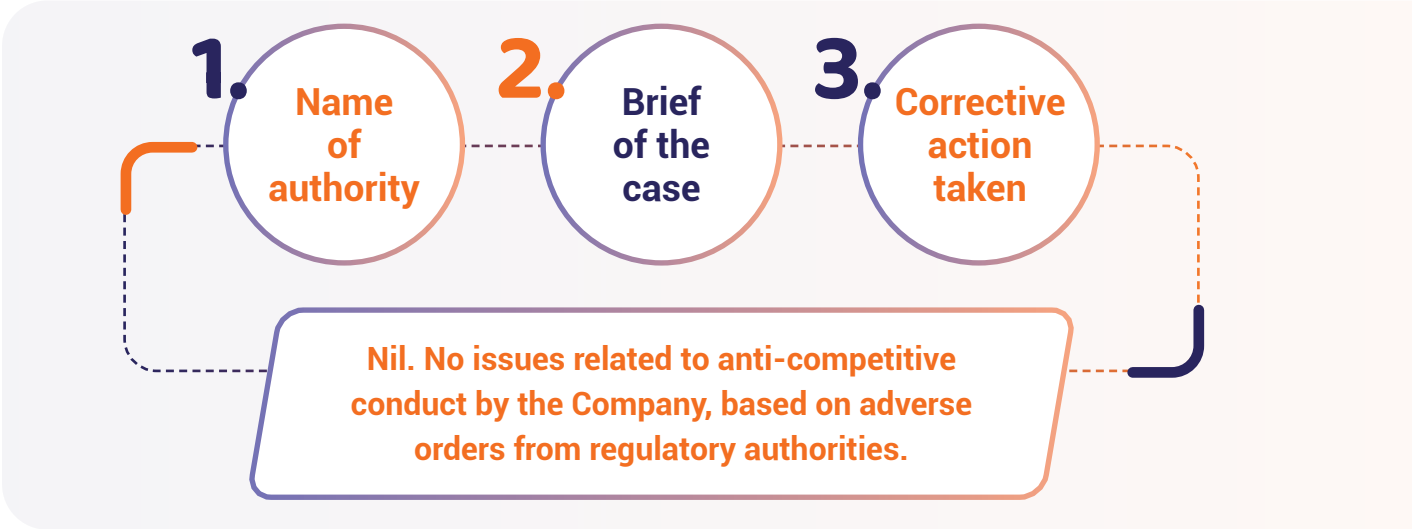
   a. **Number of affiliations with trade and industry chambers/ associations:**

   5

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**




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**



# 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:**

   During the year under review, we engaged with a reputed external agency, which conducted an Impact Assessment of the Sakhiyon Ki Baadi (SKB) project using the OECD-DAC & SRoI Methodology. The various components/outcomes of the SKB program were evaluated using the OECD DAC criteria, which include relevance, effectiveness, efficiency, impact, and sustainability. The assessment highlighted that-

   1. The program is highly relevant, as it addresses the urgent need for educational intervention in rural Rajasthan, where female literacy is around 52% and tribal enrollment is particularly low. Notably, 92% of parents reported their children were not attending any educational institute before SKB.
   2. The program has been highly effective, with 68% of students reporting positive changes in their learning levels, 77% noting improved confidence, and all parents highlighting the support received as highly effective. The program's unique approach not only improves student access to education but also creates employment opportunities for Dakshas, demonstrating notable effectiveness.
   3. The program impact has amplified across key stakeholders with 61% of students expressing a desire to enroll in formal schooling after attending SKB. Additionally, 71% of students reported developing basic literacy and numeracy skills through the program. The program also provides employment opportunities to 1,100+ Dakshas, empowering them socially by giving them a voice, as confirmed by all Dakshas.
   4. The program is highly efficient, as confirmed by all (100%) Dakshas. It utilizes local resources and play-way learning methods to achieve its goals, ensuring maximum benefit from the available support.

2. **Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

   Not Applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Yes, the Company has in place grievances redressal mechanism the same can be accessed through https://storage.googleapis.com/iifl-finance-storage/files/2023-07/CSR%20policy_IIFL%20Finance.pdf.

## PRINCIPLE 8

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 40% | 27% |
| Directly from within India | 99% | 99% |

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Rural | 5.60% | 5.60% |
| Semi-urban | 22.90% | 22.80% |
| Urban | 25.20% | 24.90% |
| Metropolitan | 46.30% | 46.60% |

(Places are categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## LEADERSHIP INDICATORS

1. **Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 8(1) of Essential Indicators above):**

   Not Applicable.

2. **Provide information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District | Amount spent (In ₹) |
|---|---|---|---|
| 1 | Rajasthan | Baran | 26,10,531.00 |
| 2 | Jammu and Kashmir | Kupwara | 25,00,000.00 |

3. **Information related to procurement**

   a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

      Given the nature of business of the Company, the sourcing needs of our Company are limited. However, the Company aims to undertake preferential procurement of materials from suppliers identified under vulnerable and marginalized groups.

   b. **From which marginalized /vulnerable groups do you procure?**

      Vendors/suppliers that are categorized as MSMEs.

   c. **What percentage of total procurement (by value) does it constitute?**

      40% of total procurement.

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:**

   Not Applicable.

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.**

   Not Applicable.

# PRINCIPLE 8

## 6. Details of beneficiaries of CSR Projects:

| CSR project | No. of persons benefitted from CSR projects | Percentage of beneficiaries from vulnerable and marginalized groups |
|---|---|---|
| **HEALTH** | | |
| Health camp- Barsana | 4,855 | 90% |
| Health camp- Pandharpur | 11,000 | 90% |
| Renovation of Dharamshala at Government Hospital | 300+ attendants at any given point | 90% |
| Emergency support- Maha Kumbh 2025 | 2,580 | 90% |
| First-aid CPR Awareness Workshop | 175 | 10% |
| Donation of Ambulance – Jammu & Kashmir | 50 | 100% |
| Donation of Medical Equipment – Udaipur | 1,200 | 100% |
| Donation of Medical Equipment – Khamnore | 1,000 | 100% |
| **EDUCATION & ENVIRONMENT** | | |
| Sakhiyon ki Baadi – A program to promote Foundational Literacy and Numeracy Skill (FLN) among Females in Rajasthan | 7,650 | 100% |
| Digital Shaala | 9,053 | 90% |
| Shelter home for homeless children | 28 | 100% |
| Smart Shaala ( Rajasthan) | 1,14,010 | 90% |
| Language lab | 935 | 90% |
| Support to School for Under-privileged | 256 | 100% |
| IT equipment for children with special needs | 210 | 70% |
| Akshar Jyoti – Awareness program on importance of Education for a Girl Child | 9,479 | 100% |
| Financial literacy for government school students | 1948 | 90% |
| Computer Lab at Sri Ramkrishna Mission (SRKM) Vivekanand Girls High School | 356 | 90% |
| Support for conducting survey Annual Status of Education Report (ASER) 2024 | 57,042 (Survey - Children tested for reading and arithmetic, 5 to 16 years old) | 60% |
| Construction of Classroom & Kitchen at School | 500 | 90% |
| Installation of two Smart Boards | 1,000 | 90% |
| Scholarship for one underprivileged student | 1 | 100% |
| Support to Volunteers at Government School | 500 | 90% |
| **LIVELIHOOD** | | |
| BFSI course | 30 | 90% |
| Homestay Host Training | 160 | 100% |
| Hospitality Training | 160 | 100% |
| **POVERTY ALLEVIATION (Disaster management and other projects)** | | |
| Dibrugarh flood relief | 1,800 | 100% |
| 35th Maharashtra State Police Sports Competition | 1,000 | 30% |

# PRINCIPLE 9:

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

## ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

IIFL's grievance redressal policy is aimed at receiving and responding to consumer complaints and feedback in a timely and effective manner. The mechanism for grievance redressal includes the following steps:

a. **Receipt of complaint:**
IIFL provides various channels for receiving complaints from its customers, such as email, phone, and a dedicated customer grievance portal.

b. **Complaint acknowledgement**
Upon receipt of the complaint, IIFL acknowledges the complaint promptly, and provides the customer with a unique reference number for future reference.

c. **Investigation**
IIFL investigates the complaint and gathers all the relevant information from its systems and employees. This includes checking if the complaint is genuine or not, and if there is any fault on IIFL's side.

d. **Resolution**
IIFL resolves the complaint as soon as possible and informs the customer of the resolution. The resolution may include, but not limited to, an apology, refund, replacement, or compensation.

e. **Escalation**
In case the complaint remains unresolved, or the customer is not satisfied with the resolution, the complaint can be escalated to the next level of management. IIFL provides a dedicated escalation matrix for this purpose.

f. **Closure**
Upon resolution of the complaint, IIFL closes the complaint and updates its records.

g. **Feedback**
After the complaint is resolved, IIFL seeks feedback from the customer to understand their satisfaction level and identify areas for improvement.

# PRINCIPLE 9

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| Particulars | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | NA |

**3. Number of consumer complaints in respect of the following:**

| Particulars | FY 2024-25 | | Remarks | FY 2023-24 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber-security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of essential services | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive trade practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair trade practices | 0 | 0 | NA | 0 | 0 | NA |
| Others | 45,282 | 171 | - | 36,966 | 250 | - |

**4. Details of instances of product recalls on account of safety issues:**

Not applicable since IIFL is a financial services company.

**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. Information & Cyber Security Policy is developed and implemented. Risks related to data privacy are part of the policy.

**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.**

No incidents related to cyber security and data privacy occurred at IIFL Finance Limited in FY 2024-25.

**7. Provide the following information relating to data breaches:**

a. Number of instances of data breaches: NIL

b. Percentage of data breaches involving personally identifiable information of customers: NIL

c. Impact, if any, of the data breaches: Not applicable

## PRINCIPLE 9

## LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information relating to all the loan products and services provided by the entity are available on the Company's website. In addition, the entity actively uses various social media and digital platforms to disseminate information on its offerings. Link of website: http://www.iifl.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Terms and Conditions provides extensive information and ensures transparency on lending products. Policies related to Code of Conduct, Data security, Fair practices, etc. are available on the Company's website. All relevant information regarding the entity and its products is available to the public.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The entity has implemented Business Continuity Policy (BCP) wherein critical processes and other enablers have been identified and appropriate recovery plans have been put in place for such critical processes to ensure timely recovery of the entity's operations and services in the event of a crisis. BCP Framework ensures continuity of critical processes to extend essential services to the customers. Regular mock tests are conducted to ascertain BCP preparedness.

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. Did your entity carry out any survey regarding 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)**

   We display information and brochures about our products in our branches. We comply with all local law applicable to us and display this information on the bulletin board. Further, we conduct net promoter score (NPS) surveys periodically, to get an insight on customer sentiment.

# INDEPENDENT AUDITOR'S REPORT

**To,**

**The Members of**

**IIFL Finance Limited**

## Report on the Audit of the Standalone financial statements.

### Opinion

We have audited the accompanying standalone financial statements of IIFL Finance Limited (the "Company"), which comprise 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 standalone financial statements, including a summary of material accounting policies 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, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the 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, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of 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 Auditors' Responsibilities for the Audit of 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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

### Emphasis of Matter

We draw attention to Note 44.3 to the standalone financial statements, which describe the matter relating to excess remuneration as compared to minimum remuneration specified under schedule V to the Act, to the extent of Rs. 9.88 crore paid to the Managing Director of the Company as a result of inadequate profit for the year, and subsequent resolution passed by the Board of Directors of the Company ratifying the same. As stated therein, approval by the Board of Directors is subject to approval by the shareholders of the Company, which is proposed to be taken at the ensuing Annual General Meeting by way of a special resolution. Excess remuneration paid is accounted as expenses for the year and pending the approval, the Managing Director is holding the amount in trust for the Company.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of standalone financial statements of the current period. These matters were addressed in the context of our audit of 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.

# INDEPENDENT AUDITOR'S REPORT

| Sr. No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| 1 | **Information technology (IT) systems used in financial reporting process.**<br>The Company's operational and financial processes are dependent on IT systems due to large volume of transactions that are processed daily. The gaps in the IT general control environment could result in a misstatement of the financial accounting.<br>Proper IT general and application controls are essential to ensure accurate, complete, and consistent data processing for reliable financial reporting.<br>We therefore identified IT systems and controls with reference to standalone financial statements as a key audit matter for the Company. | We obtained an understanding of the Company's IT control environment relevant to the audit.<br>We tested the design, implementation and operating effectiveness of the Company's General IT controls over the key IT systems which are critical to financial reporting. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:<br>1. We tested the design, implementation, and operating effectiveness of the Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.<br>2. We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the Financial Statements. |
| 2 | **Allowances for Expected credit loss on Loans ("ECL"):**<br>As on March 31, 2025, the carrying value of the loan assets measured at amortised cost and fair value through other comprehensive income aggregated to Rs. 22,867 crores (net of allowance of expected credit loss of Rs. 437 crores) out of the total assets amounting to Rs. 32,114 crores. Since the loans and advances form a major portion of the Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages and identifying loans which are measured at fair value through other comprehensive income as stipulated in Ind AS 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter.<br>The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.<br>The most significant areas are:<br>- Segmentation of loan book<br>- Identification of loans to be measured at fair value through other comprehensive income<br>- Determination of exposure at default<br>- Qualitative and quantitative factors used in staging criteria for loans<br>- basis of estimation and calculation of probability of default / Loss given default for each segment<br>- Consideration of probability weighted scenarios and forward looking macro-economic factors<br>The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.<br>Refer Note 38A.3 to standalone financial statements for disclosures. | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>1. Evaluating the Company's accounting policies, as approved by the Board of Directors, for impairment of loans.<br>2. Obtained an understanding of the modelling techniques / models adopted by the Company including the key inputs and assumptions.<br>3. We assessed the design and implementation of key internal financial controls with respect to computation of provisioning requirements in terms of RBI guidelines<br>4. Tested the design and effectiveness of controls related to:<br>▪ The completeness and accuracy of Exposure at Default (EAD) and the classification of such exposure into stages, as per the Board-approved policy.<br>▪ The accuracy and relevance of information used in estimating Probability of Default (PD) and Loss Given Default (LGD).<br>▪ Tested the ECL model, including assumptions, underlying computation of ECL provision performed by the Company on sample basis to assess the arithmetical accuracy.<br>▪ Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates were computed.<br>▪ We also made enquiries with the management in respect of justification and quantum of the management overlay. |

# INDEPENDENT AUDITOR'S REPORT

## Information Other than standalone financial statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report but does not include standalone financial statements and our report thereon. Annual report is expected to be made available to us after the date of this report.

Our opinion on standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditors Responsibilities Relating to Other Information".

## Responsibilities of Management and Those Charged with Governance for 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibilities for the Audit of standalone financial statements

Our objectives are to obtain reasonable assurance about whether 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 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 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 financial controls 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 system 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude

# INDEPENDENT AUDITOR'S REPORT

that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in 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 standalone financial statements, including the disclosures, and whether standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless any 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.

## Other Matter

The standalone financial statements includes the comparative financial information for the year ended March 31, 2024 which were audited by one of the joint auditors and one of the predecessor auditors and they have issued unmodified opinion vide their report dated June 15, 2024.

Our opinion is not modified in respect of this other matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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 of standalone financial statements.

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

c) The Balance Sheet, the Statement of Profit and Loss (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 maintained for the purpose or preparation of standalone financial statements.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the remuneration paid to the managing director is in excess of the limit laid down under section 197 of the Act. In this regard we invite attention to note no 44.3 to the standalone financial statements and Emphasis of Matter section of this report.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

# INDEPENDENT AUDITOR'S REPORT

the Companies (Audit and Auditors) Rules, 2014 ("the Rules"), 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 financial statements- Refer Note No 39 of 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.

iii. There has not been any delay in transferring amounts which requires to be transferred to the Investor Education and Protection Fund by the Company during the year.

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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries-(Refer note no.41(iv)(A))

(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 or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries- (Refer note no.41(iv)(B)); and

(c) In our opinion and based on the audit procedures, we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. During the year the Company has not declared / paid any dividend, hence reporting under rule 11 (f) of the Rules is not applicable to that extent.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025, which has a feature of recording Audit Trail (edit log facility) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with and the audit trail (edit log) has been preserved by the Company as per the statutory requirements for record retention.

**Signed by the Joint Statutory Auditors of the Company**

**For Sharp & Tannan Associates**
**Chartered Accountants**
ICAI Firm Reg. No. 109983W
By the hand of

**Parthiv S. Desai**
**Partner**
Membership No. 042624

Place: Mumbai
Date: May 8, 2025
UDIN: 25042624BMOCYA4695

**For G. M. Kapadia & Co.**
**Chartered Accountants**
ICAI Firm Reg. No. 104767W
By the hand of

**Atul Shah**
**Partner**
Membership No. 039569

Place: Mumbai
Date: May 8, 2025
UDIN: 25039569BMLNCI2790

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure A referred to paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the financial statement for the year ended March 31, 2025.**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

3(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use of assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment including Right of Use Assets to cover all the items at major locations in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to such programme, the physical verification of Property, Plant and Equipment including Right of Use Assets was carried out by the management during the previous financial year and on the basis of explanation received no material discrepancies were noticed during the verification.

(c) The title deeds of all the immovable properties held as Property, Plant & Equipment and Investment Properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company. The title deeds of rights in the immovable properties held as Investment Property Under Construction are pending execution in the name of the Company. However, necessary allotments from the developers are in the name of the Company. As stated in note no 12, such rights in the properties were acquired during the year and it's carrying value is Rs. 575 crores.

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

(e) There are no proceedings initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii) (a) The Company does not have any inventory and accordingly, the requirement to report on paragraph 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks / financial institutions on the basis of security of current assets namely financial asset. The information furnished by the Company on quarterly basis are in agreement with the books of accounts of the Company.

3(iii) (a) The Company's principal business is to give loans and accordingly, the provisions stated in paragraph 3(iii)(a) of the Order are not applicable to the Company.

(b) In our Opinion the terms and conditions in relations to the investments made, guarantees provided, security given and / or grant of all loans and advances in the nature of loans and guarantees are prima facie not prejudicial to the interest of the Company.

(c) The Company, being a Non-Banking Financial Company, is registered under provisions of Reserve Bank of India Act, 1934 and rules made there under, in pursuance of its compliance with provisions of the said act, particularly, the Income Recognition, Asset Classification and Provisioning norms and generally accepted business practices by the lending institutions, repayments schedules are stipulated basis the nature of loan products. Refer note 38A.1 to the standalone financial statements for summarized details of loans / advances which are not repaid by the borrowers as per the stipulations. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of the amounts, due date of repayment or receipt and 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 paragraph), in respect of loans and advances which are not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business.

(d) In respect of loans and advances in the nature of loans, the total amount of cases which are overdue for more than ninety days as at March 31, 2025 is Rs. 423.69 crores with respect to 64,325 borrowers. In such instances, in our opinion reasonable steps have been taken by the Company for recovery of

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

the overdue amount of principal and interest.

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

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on paragraph 3(iii)(f) of the Order is not applicable to the Company.

3(iv) Loans, Investments, Guarantees and security in respect of which the provisions of sections 185 and 186 of the Companies Act, 2013, are applicable have been complied with by the Company.

3(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits, within the meaning of section 73 to 76 of the Companies Act, 2013 and Rules framed thereunder, to the extent applicable. Accordingly, the requirement to report on paragraph 3(iii)(v) of the Order is not applicable to the Company.

3(vi) The maintenance of cost records has not been specified by Central Government under Section 148(1) of the Companies Act, 2013 for the Company. Accordingly, the requirement to report on paragraph 3(vi) of the Order is not applicable to the Company.

3(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, goods and services tax, cess and other statutory dues as applicable to the Company with the appropriate authorities. The provisions of sales tax, value added tax, service tax, customs duty, excise duty and cess are not applicable to the Company.

There were no undisputed amounts payable in respect of these statutory dues in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) The dues of provident fund, employees state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the Company, which have not been deposited on account of any dispute as at March 31, 2025 are as follows.

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Under Dispute (Rs. in Crores) * | Amount Deposited under protest (Rs. in Crores) |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | Bombay High Court | AY 2008-09 | 2.20 | 2.20 |
| Income Tax Act, 1961 | Income Tax | Bombay High Court | AY 2009-10 | 1.97 | 1.97 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2010-11 | 6.45 | 4.26 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2011-12 | 4.25 | 1.71 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2012-13 | 12.22 | 4.19 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2013-14 | 5.22 | 4.26 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2016-17 | 7.68 | 1.54 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2017-18 | 10.90 | 7.05 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2018-19 | 9.35 | 8.53 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2019-20 | 148.00 | - |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2020-21 | 10.30 | 10.30 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2021-22 | 17.80 | 17.80 |
| Income Tax Act, 1961 | Income Tax | CIT(A) | AY 2022-23 | 111.61 | 10.27 |
| Income Tax Act, 1961 | Income Tax | ITAT | AY 2012-13 | 9.09 | - |
| Income Tax Act, 1961 | Income Tax | ITAT | AY 2013-14 | 0.34 | 0.34 |
| Income Tax Act, 1961 | Income Tax | ITAT | AY 2014-15 | 0.50 | 0.50 |
| Income Tax Act, 1961 | Income Tax | ITAT | AY 2016-17 | 1.39 | 1.39 |

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Under Dispute (Rs. in Crores) * | Amount Deposited under protest (Rs. in Crores) |
|---|---|---|---|---|---|
| The Finance Act, 1994 | Service tax | Adjudicating Authority | Apr 2007 to March 2012 | 0.27 | 0.004 |
| The Finance Act, 1994 | Service tax | CESTAT Mumbai | April 2007 to 13 May 2008 | 14.95 | 0.21 |
| The Finance Act, 1994 | Service tax | CESTAT Mumbai | July 2012 to March 2014 | 57.01 | 1.33 |
| Goods and Service tax Act | GST | GST Appeal Andhra Pradesh | July 01, 2017 to March 31, 2019 | 0.48 | 0.05 |
| Goods and Service tax Act | GST | GST Appeal Mumbai | July 01, 2017 to March 31, 2018 | 0.15 | 0.01 |
| Goods and Service tax Act | GST | GST Appeal - Telangana / Uttar Pradesh | FY 17-18 | 0.11 | 0.01 |
| Goods and Service tax Act | GST | GST Appeal Karnataka | Upto Sep -19 | 0.29 | 0.09 |
| Goods and Service tax Act | GST | GST Appeal Maharastra / Tamil Nadu / Delhi | FY 19-20 | 38.13 | 1.86 |
| Goods and Service tax Act | GST | GST Appeal Maharastra / Gujarat / Delhi | FY 20-21 | 2.58 | - |
| Maharashtra Profession Tax. | Prof. Tax | Comm. Sales Tax Appeal | FY 2007-2008 | 0.16 | 0.05 |
| Maharashtra Collector of Stamps | Stamp Duty | Bombay High Court | FY 2018-19 | 25.00 | 8.34 |

(*) The amount of tax refunds of certain years adjusted by the income tax department against outstanding disputed tax demand is under reconciliation by the Company, by obtaining details from the department. Pending completion of such reconciliation, the amount of taxes paid disclosed above do not include effect of such adjustments, if any.

3(viii) There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in the tax assessments of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of accounts. Accordingly, the requirement to report on paragraph 3(viii) of the Order is not applicable to the Company.

3(ix) (a) The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender during the year.

(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short term basis have been prima facie used for long term purposes during the year by the Company.

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

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on paragraph 3(ix)(f) of the Order is not applicable to the Company. The Company does not have any associates or joint ventures.

3(x) (a) The money raised by way of initial public offer or further public offer (including debt instruments) have been applied by the Company during the year for the purposes for which they were raised.

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible). Accordingly, the requirement to report on paragraph 3(x)(b) of the Order is not applicable to the Company. In case of shares issued to the employees under Employee Option scheme the requirements of section 62 or the Act have been complied with and the funds raised have been used for the purposes for which funds were raised.

3(xi ) (a) During the year the Company has come across fraud amounting to Rs.2.55 crores in respect of its lending operations out of the same Rs. 0.06 Crore have been recovered please refer Note 53 to the standalone financial statements. No fraud by the Company has been noticed or reported during the year.

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

(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 our audit procedures.

3(xii) The Company is not a Nidhi Company. Accordingly, the requirement to report on paragraph 3(xii) of the Order is not applicable to the Company.

3(xiii) The transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

3(xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) The Internal audit reports of the Company issued till the date of audit report, for the period under audit have been considered by us.

3(xv) The Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or persons connected with them. Accordingly, the requirement to report on paragraph 3(xv) of the Order is not applicable to the Company.

3(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 Company.

(b) The Company has carried on the business of Non-Banking Financial activities with valid Certificate of Registration (CoR) obtained from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on paragraph 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is a not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on paragraph 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, the requirement to report on paragraph 3(xvi)(d) of the Order is not applicable to the Company.

3(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

3(xviii) One of the predecessor joint auditors of the Company have completed its term of appointment during the year pursuant to the requirements of the guidelines for appointment of statutory central auditors (SCAs) / statutory auditors (SAs) of the commercial banks (excluding RRBs), UCBs and NBFCs (Including HFCs) dated April 27, 2021, issued by Reserve bank of India, and there are no issues objections or concerns raised by the outgoing auditor. Accordingly, such change in the auditor is not on account of resignation of the outgoing auditor.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

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.

3(xx) (a) In respect of other than ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act, this matter has been disclosed in note 45 to the standalone financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the current financial year, to a special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Companies Act, 2013, This matter has been disclosed in note 45 to the standalone financial statements.

**Signed by the Joint Statutory Auditors of the Company**

**For Sharp & Tannan Associates**
**Chartered Accountants**
ICAI Firm Reg. No. 109983W
By the hand of

**Parthiv S. Desai**
**Partner**
Membership No. 042624

Place: Mumbai
Date: May 8, 2025
UDIN: 25042624BMOCYA4695

**For G. M. Kapadia & Co.**
**Chartered Accountants**
ICAI Firm Reg. No. 104767W
By the hand of

**Atul Shah**
**Partner**
Membership No. 039569

Place: Mumbai
Date: May 8, 2025
UDIN: 25039569BMLNCI2790

# ANNEXURE –B
## TO THE INDEPENDENT AUDITOR'S REPORT

Annexure B referred to paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the financial statement 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

We have audited the internal financial controls with reference to standalone financial statements of IIFL Finance 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.

In our opinion, to the best of the information given to us the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at March 31, 2025, based on the criteria for internal financial controls over financial reporting 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").

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls over financial reporting criteria established by the Company 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and the Guidance Note on issued by the ICAI. 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 were 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 includes obtaining an understanding of such internal financial controls, 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 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 controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

# ANNEXURE –B
## TO THE INDEPENDENT AUDITOR'S REPORT

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 controls 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.

**Signed by the Joint Statutory Auditors of the Company**

**For Sharp & Tannan Associates**
**Chartered Accountants**
ICAI Firm Reg. No. 109983W
By the hand of

**Parthiv S. Desai**
**Partner**
Membership No. 042624

Place: Mumbai
Date: May 8, 2025
UDIN: 25042624BMOCYA4695

**For G. M. Kapadia & Co.**
**Chartered Accountants**
ICAI Firm Reg. No. 104767W
By the hand of

**Atul Shah**
**Partner**
Membership No. 039569

Place: Mumbai
Date: May 8, 2025
UDIN: 25039569BMLNCI2790

# STANDALONE BALANCE SHEET
## AS AT MARCH 31, 2025

(₹ in Crores)

| Particulars | Note no. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| **[1] Financial assets** | | | |
| (a) Cash and cash equivalents | 4 | 528.23 | 863.92 |
| (b) Bank balance other than (a) above | 5 | 832.38 | 966.58 |
| (c) Derivative financial instruments | 6 | 50.25 | 157.69 |
| (d) Receivables | | | |
| (i) Trade receivables | 7 | 49.37 | 42.27 |
| (ii) Other receivables | 7 | - | 29.65 |
| (e) Loans | 8 | 22,866.99 | 18,426.84 |
| (f) Investments | 9 | 5,457.57 | 5,156.58 |
| (g) Other financial assets | 10 | 364.62 | 742.32 |
| | | **30,149.41** | **26,385.85** |
| **[2] Non-financial assets** | | | |
| (a) Current tax assets (net) | | 148.76 | 154.05 |
| (b) Deferred tax assets (net) | 11 | 295.54 | 75.92 |
| (c) Investment property | 12 | 868.70 | 293.70 |
| (d) Property, plant and equipment | 13 | 129.13 | 132.35 |
| (e) Capital work-in-progress | 14 (a) | 22.29 | 51.83 |
| (f) Intangible assets under development | 14 (b) | 0.88 | 0.17 |
| (g) Right to use assets | 15 | 339.38 | 363.98 |
| (h) Other intangible assets | 16 | 6.17 | 4.12 |
| (i) Other non-financial assets | 17 | 154.28 | 109.36 |
| | | **1,965.13** | **1,185.48** |
| **Total assets** | | **32,114.54** | **27,571.33** |
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| **[1] Financial liabilities** | | | |
| (a) Derivative financial instruments | 6 | 94.67 | 30.92 |
| (b) Payables | | | |
| (I) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 18 | 2.28 | 5.72 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 18 | 91.02 | 134.61 |
| (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 | 18 | 34.28 | - |
| (c) Finance lease obligation | 15 | 351.27 | 382.13 |
| (d) Debt securities | 19 | 11,360.00 | 4,340.46 |
| (e) Borrowings (other than debt securities) | 20 | 11,297.94 | 13,941.67 |
| (f) Subordinated liabilities | 21 | 1,866.22 | 1,703.77 |
| (g) Other financial liabilities | 22 | 361.33 | 1,303.69 |
| | | **25,459.01** | **21,842.97** |
| **[2] Non-financial liabilities** | | | |
| (a) Current tax liabilities (net) | | 10.53 | 2.83 |
| (b) Provisions | 23 | 63.44 | 39.53 |
| (c) Other non-financial liabilities | 24 | 74.46 | 90.09 |
| | | **148.43** | **132.45** |
| **Total liabilities** | | **25,607.44** | **21,975.42** |
| **[3] Equity** | | | |
| (a) Equity share capital | 25 | 84.90 | 76.31 |
| (b) Other equity | 25.1 | 6,422.20 | 5,519.60 |
| | | **6,507.10** | **5,595.91** |
| **Total liabilities and equity** | | **32,114.54** | **27,571.33** |
| See accompanying notes forming part of the financial statements | 1 - 63 | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

IIFL FINANCE

# STANDALONE STATEMENTS OF PROFIT & LOSS
## FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | | | | Note no. | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|---|---|---|
| [1] | **Income** | | | | | |
| | **Revenue from operations** | | | | | |
| | (i) | | Interest income | 26.1 | 3,777.80 | 4,348.34 |
| | (ii) | | Dividend income | 26.2 | 2.19 | 132.02 |
| | (iii) | | Fees and commission income | | 159.48 | 124.40 |
| | (iv) | | Net gain on fair value changes | 27 | 126.70 | - |
| **(I)** | **Total revenue from operations** | | | | **4,066.17** | **4,604.76** |
| **(II)** | **Other income** | | | 28 | **13.99** | **44.67** |
| **(III)** | **Total Income (I+II)** | | | | **4,080.16** | **4,649.43** |
| [2] | **Expenses** | | | | | |
| | (i) | | Finance cost | 29 | 1,848.72 | 1,702.08 |
| | (ii) | | Net loss on fair value changes | 27 | - | 241.29 |
| | (iii) | | Net loss on derecognition of financial instruments under FVTOCI category | 30 | 379.12 | 166.77 |
| | (iv) | | Impairment on financial instruments | 31 | 456.50 | 378.71 |
| | (v) | | Employee benefits expenses | 32 | 759.73 | 723.29 |
| | (vi) | | Depreciation, amortization and impairment | 33 | 136.98 | 134.90 |
| | (vii) | | Other expenses | 34 | 463.38 | 572.41 |
| **(IV)** | **Total Expenses** | | | | **4,044.43** | **3,919.45** |
| **(V)** | **Profit before exceptional items and tax (III-IV)** | | | | **35.73** | **729.98** |
| **(VI)** | **Exceptional items** | | | 35 | **(586.50)** | **-** |
| **(VII)** | **Profit before tax (V+VI)** | | | | **(550.77)** | **729.98** |
| [3] | **Tax expense** | | | | | |
| | (1) | | Current tax | 36 | 77.39 | 188.91 |
| | (2) | | Deferred tax | 11 & 36 | (218.59) | (41.45) |
| | (3) | | Current tax relating to previous periods | 36 | - | (2.26) |
| **(VIII)** | **Total tax expense** | | | | **(141.20)** | **145.20** |
| **(IX)** | **Profit for the year (VII-VIII)** | | | | **(409.57)** | **584.78** |
| [4] | **Other comprehensive income** | | | | | |
| | **(A)** | (i) | Items that will not be reclassified to profit or loss | | | |
| | | | - Remeasurement of defined benefit liability/(asset) | 36 | (2.51) | (3.25) |
| | | (ii) | Income tax relating to items that will not be reclassified to profit or loss | 11 & 36 | 0.63 | 0.82 |
| | | | **Subtotal (A)** | | **(1.88)** | **(2.43)** |
| | **(B)** | (i) | Items that will be reclassified to profit or loss | | | |
| | | | - Cash flow hedge (net) | 36 | (1.58) | (7.36) |
| | | (ii) | Income tax relating to items that will be reclassified to profit or loss | 11 & 36 | 0.40 | 1.85 |
| | | | **Subtotal (B)** | | **(1.18)** | **(5.51)** |
| **(X)** | **Other comprehensive income/(loss) (A+B)** | | | | **(3.06)** | **(7.94)** |
| **(XI)** | **Total comprehensive income for the year (IX+X)** | | | | **(412.63)** | **576.84** |
| **(XII)** | **Earnings per equity share of face value ₹ 2 each** | | | 37 | | |
| | | | Basic (₹) | | (9.80) | 15.35 |
| | | | Diluted (₹) | | (9.80) | 15.16 |
| See accompanying notes forming part of the financial statements | | | | 1 - 63 | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

# STANDALONE STATEMENTS OF CASH FLOW
**FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | Note no. | Year ended March 31, 2025 | | Year ended March 31, 2024 | |
|---|---|---|---|---|---|
| **A. Cash flow from operating activities** | | | | | |
| **Profit before tax** | | | **(550.77)** | | **729.98** |
| **Adjustments for:** | | | | | |
| Depreciation, amortization and impairment | 13, 15 & 16 | 136.98 | | 134.90 | |
| Impairment on loans | 31 | (136.75) | | 92.10 | |
| Impairment on other financial instruments | | (11.09) | | 7.30 | |
| (Gain)/ loss on sale of assets | | 0.06 | | (18.15) | |
| Net (gain)/ loss on fair value changes on investments- realised | 27 | (155.67) | | (38.61) | |
| Net (gain)/ loss on fair value changes on investments- unrealised | 27 | 22.03 | | 264.77 | |
| Net (gain)/ loss on fair value changes on derivative instruments - unrealised | 27 | 6.93 | | 15.13 | |
| Exceptional Items | 35 | 586.50 | | - | |
| Net (gain) / loss on derecognition of financial instruments under FVTOCI category | 30 | 379.12 | | 166.77 | |
| Employee benefit expenses - share based payments | | 46.51 | | 35.42 | |
| Employee benefit expenses - others | | 10.79 | | 10.99 | |
| Interest on loans | | (3,679.58) | | (4,249.11) | |
| Interest on deposits with banks | 26.1 | (63.05) | | (80.79) | |
| Interest on investments | 26.1 | (35.17) | | (18.44) | |
| Dividend income | 26.2 | (2.19) | | (132.02) | |
| Dividend received | 26.2 | 2.19 | | 132.02 | |
| Finance cost | | 1,832.69 | | 1,685.13 | |
| Income received on loans | | 3,642.66 | | 4,005.40 | |
| Interest received on deposits with banks | | 76.27 | | 86.23 | |
| Income received on investments | | 35.16 | | 18.52 | |
| Finance cost paid | | (1,841.31) | 853.08 | (1,681.32) | 436.24 |
| **Operating profit before working capital changes** | | | **302.31** | | **1,166.22** |
| Decrease/ (increase) in financial and non financial assets | | 3.00 | | 24.93 | |
| Increase/(decrease) in financial and non financial liabilities | | (709.68) | (706.68) | 94.91 | 119.84 |
| **Cash (used in)/ generated from operating activities** | | | **(404.37)** | | **1,286.06** |
| Taxes paid | | | (64.40) | | (141.74) |
| Loans (disbursed)/ repaid (net) | | | (4,840.92) | | (4,447.02) |
| **Net cash (used in) / generated from operating activities (A)** | | | **(5,309.69)** | | **(3,302.70)** |
| **B. Cash flow from investing activities** | | | | | |

IIFL FINANCE

# STANDALONE STATEMENTS OF CASH FLOW
## FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | Note no. | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| Purchase of property, plant and equipment and other intangible assets | | (27.56) | (84.91) |
| Sale of property, plant and equipment and other intangible assets | | 1.30 | 41.96 |
| Purchase of equity investments in subsidiaries | | (52.08) | (200.00) |
| Proceeds/ (purchase) of investments | | (701.78) | (544.16) |
| Proceeds/ (deposits) from maturity of deposits placed with banks | | 105.32 | 449.96 |
| **Net cash (used in)/ generated from investing activities (B)** | | **(674.80)** | **(337.15)** |
| **C. Cash flow from financing activities** | | | |
| Proceeds from issue of equity share (including securities premium) | | 1,281.63 | 19.43 |
| Proceeds from share application pending allotment | | - | 0.49 |
| Dividend paid | | - | (152.59) |
| Proceeds from debt securities | | 11,843.71 | 4,799.33 |
| Repayment of debt securities | | (4,872.07) | (5,299.79) |
| Proceeds from borrowings (other than debt securities) | | 15,577.73 | 22,504.00 |
| Repayment of borrowings (other than debt securities) | | (18,232.41) | (19,037.94) |
| Proceeds from subordinated liabilities | | 225.62 | 35.00 |
| Repayment of subordinated liabilities | | (50.00) | (12.39) |
| Payment of lease liability | | (125.41) | (113.66) |
| **Net cash (used in)/ generated from financing activities (C)** | | **5,648.80** | **2,741.88** |
| **Net increase/ (decrease) in cash and cash equivalents ( A + B + C )** | | **(335.69)** | **(897.97)** |
| **Add : Opening cash and cash equivalent as at the beginning of the year** | | **863.92** | **1,761.89** |
| **Cash and cash equivalents as at the end of the year** | 4 | **528.23** | **863.92** |
| See accompanying notes forming part of the financial statements | 1 - 63 | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

Place : Mumbai
Dated: May 08, 2025

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

# STANDALONE STATEMENTS OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2025

### A. Equity share capital

(₹ in Crores)

| Particulars | Balance at the beginning of the year | Changes in equity share capital during the year | Balance at the end of the year |
|---|---|---|---|
| As at March 31, 2025 (refer note 25) | 76.31 | 8.59 | 84.90 |
| As at March 31, 2024 (refer note 25) | 76.09 | 0.22 | 76.31 |

### B. Other equity

(₹ in Crores)

| Particulars | Share application money pending allotment (note 1) | Reserves & surplus | | | | | | | | Other comprehensive income (OCI) | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital reserve (note 2) | Securities premium reserve (note 3) | General reserve (note 4) | Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934 (note 5) | Capital redemption reserve (note 6) | Debenture redemption reserve (note 7) | Retained earnings (note 8) | Stock option outstanding account (note 9) | Effective portion of cash flow hedges (note 10) | Remeasurements of defined benefit (note 11) | |
| **Balance as at April 01, 2023** | **-** | **83.89** | **1,862.07** | **510.44** | **950.53** | **230.11** | **12.80** | **1,390.89** | **9.67** | **(10.19)** | **(1.39)** | **5,038.82** |
| Profit/ (loss) for the year | - | - | - | - | - | - | - | 584.78 | - | - | - | 584.78 |
| Other comprehensive income/ (loss) | - | - | - | - | - | - | - | - | - | (5.51) | (2.43) | (7.94) |
| Interim dividend | - | - | - | - | - | - | - | (152.59) | - | - | - | (152.59) |
| Transfer to/ (from) reserves | - | - | 4.39 | (0.45) | 116.96 | - | - | (116.96) | (3.94) | - | - | - |
| Addition during the year | 0.49 | - | 19.20 | - | - | - | - | - | 36.84 | - | - | 56.53 |
| **Balance as at March 31, 2024** | **0.49** | **83.89** | **1,885.66** | **509.99** | **1,067.49** | **230.11** | **12.80** | **1,706.12** | **42.57** | **(15.70)** | **(3.82)** | **5,519.60** |
| Profit/ (loss) for the year | - | - | - | - | - | - | - | (409.57) | - | - | - | (409.57) |
| Other comprehensive income/ (loss) | - | - | - | - | - | - | - | - | - | (1.18) | (1.88) | (3.06) |
| Share issue expenses | - | - | (4.50) | - | - | - | - | - | - | - | - | (4.50) |
| Transfer to/ (from) reserves | - | - | 2.22 | 4.72 | - | - | - | - | (6.94) | - | - | - |
| Addition during the year | (0.26) | - | 1,273.29 | - | - | - | - | - | 46.70 | - | - | 1,319.73 |
| **Balance as at March 31, 2025** | **0.23** | **83.89** | **3,156.67** | **514.71** | **1,067.49** | **230.11** | **12.80** | **1,296.55** | **82.33** | **(16.88)** | **(5.70)** | **6,422.20** |

# STANDALONE STATEMENTS OF CHANGES IN EQUITY
**FOR THE YEAR ENDED MARCH 31, 2025**

**Notes:**

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital reserves:** Capital reserve is created on account of composite scheme of arrangement.
3. **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognized in securities premium reserve. Share issue expense on account of right issue during the year have been utilised from the secutities premium reserve.
4. **General reserve:** The reserve can be distributed/ utilised by the Company, in accordance with The Companies Act, 2013.
5. **Special reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to transfer 20% of the profit after tax from retained earnings to special reserve. In absence of profit during the current year, no reserve have been transferred from retained earnings to special reseve.
6. **Capital redemption reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of The Companies Act, 2013.
7. **Debenture redemption reserve:** Pursuant to Section 71 of The Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company being an NBFC is required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
8. **Retained earnings:** These are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividend distribution and capital redemption reserve.
9. **Stock option outstanding account:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
10. **Effective portion of cash flow hedge:** These reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
11. **Remeasurements of defined benefit:** This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 63)

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

Place : Mumbai
Dated: May 08, 2025

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary &
Compliance Officer

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 1. CORPORATE INFORMATION:

### Company overview

IIFL Finance Limited (the "Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products and deals majorly into loans such as gold loan, loans to Micro, small & medium enterprise ("MSME"), loan against securities and digital finance loans.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On May 08, 2025, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

## NOTE 2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1,(that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

### (a) Use of estimates and judgments

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates can change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which these changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Company and the currency of primary economic environment in which the Company operates.

### (b) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the provisions of the Act and Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI"). In addition, the guidance notes/ announcements issued by

the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations requires a different treatment.

### (c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI.

## NOTE 3. MATERIAL ACCOUNTING POLICIES

### (a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

**i. Interest income and dividend income:**

Interest income on financial instruments at amortized cost is recognized on a time proportion basis taking into account the amount outstanding.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Statement of Profit and Loss at initial recognition.

Dividend on equity shares, preference shares and on mutual fund units is recognized as income when the right to receive the dividend is established.

**ii. Fees and charges:**

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Company's Statement of Profit and Loss include, among other things, fees charged for servicing a loan.

Cheque bounce charges, late payment charges and foreclosure charges are recognized on a point-in-time basis and are recorded when realized.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

**iii. Income from financial instruments at FVTPL:**

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

**iv. Assignment transactions:**

In accordance with Ind AS 109, assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the behavioural tenure of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

**v. Securitisation transactions**

In accordance with Ind AS 109, in case of securitisation transactions, the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**vi. Other operational revenue**

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

### (b) Property, plant and equipment ("PPE")

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy.

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are available for use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase.

**The estimated useful life of assets is as under:**

| Class of assets | Useful life |
|---|---|
| Buildings | 20 years |
| Computers | 3 years |
| Office equipment | 5 years |
| Plant and equipment | 5 years |
| Furniture and fixtures | 5 years |
| Vehicles | 5 years |

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE is derecognized 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 is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

**Capital work in progress**

Projects under which PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "capital work-in-progress".

### (c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortisation and cumulative impairment.

Intangible assets i.e. Software are amortized on straight-line basis over the estimated useful life of 3 years.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

**Intangible assets under development**

Intangible assets not ready for their intended use on the Balance Sheet date are disclosed as "Intangible assets under development".

### (d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognized.

Freehold land and properties under construction are not depreciated.

### (e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

### (f) Impairment of assets

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to an extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

### (g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services 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 equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

### (h) Employee benefits

***Defined contribution plans***

The Company's contribution towards Provident Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognized in the Statement of Profit and loss.

***Defined benefit plans***

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long term benefits being long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Company and is recognized in a similar manner as in the case of defined benefit plan above.

### (i) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

### (j) Taxes on income

***Current tax***

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

***Deferred tax***

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

For transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

***Current and deferred tax for the year***

Current and deferred tax are recognized in the Statement of profit and loss, except when they relate to items

that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**(k) Financial instruments**

Financial assets and financial liabilities are recognized in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the Statement of Profit and Loss.

**Financial assets**

***Classification and measurement***

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

***Financial instruments measured at amortized cost***

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at amortized cost are subject to impairment.

***Financial instruments measured at fair value through other comprehensive income ("FVTOCI")***

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

reserve is transferred to Statement of Profit and Loss.

***Financial instruments measured at fair value through Profit and Loss ("FVTPL")***

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss.

Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments. Dividend on financial assets at FVTPL is recognized when the Company's right to receive dividend is established.

***Investments in equity instruments at FVTOCI***

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Company's right to receive dividends is established.

***Reclassifications***

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

***Impairment of financial assets***

Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Loss given default ("LGD") estimates the normalized loss which Company incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees needs to be excluded from the loans and advance amount.

***Credit impaired financial assets***

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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

***Definition of default***

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

***Significant increase in credit risk***

The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's expert credit assessment.

***Modification and derecognition 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. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and

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the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

***Derecognition of financial assets***

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

***Write-off***

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of

it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

**Financial liabilities and equity Instruments**

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

***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 are recognized at the proceeds received, net of direct issue costs.

***Compound instruments***

The component parts of compound instruments (e.g. convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain/ loss is recognized in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible notes using the effective interest rate method.

***Financial liabilities***

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

***Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

**(I) Investment in subsidiaries**

Investment in subsidiaries is recognized at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

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The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### (m) Cash and bank balances

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### (n) Goods and service tax input credit

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

### (o) Borrowing costs

Borrowing costs include interest expense calculated using the EIR method.

### (p) Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

### (q) Segment reporting

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

### (r) Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### (s) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature;

- non-cash items such as depreciation, provisions, deferred taxes and unrealised foreign currency gains and losses;
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

**(t) Derivative financial instruments and hedging**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures relating to foreign currency borrowings. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

The Company designates only the change in fair value of the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships. The effective portion of changes in fair value of hedging instruments is accumulated in a cash flow hedge reserve as a separate component of equity.

The forward cost are separately accounted for as a cost of hedging and are recognized in OCI and accumulated in a cost of hedging reserve as a separate component within equity.

**Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated under the heading of Cash Flow Hedge Reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss, and is included in the Fair value changes line item.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss or the hedged item affects profit or loss.

If the forecast transaction is no longer expected to occur, the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

**(u) Leases**

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company considers whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

**As a lessee**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

## Critical accounting estimate and judgement

### 1. Determination of lease term

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### 2. Discount rate

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**The Company as a lessee**

As a lessee, the Company leases assets which includes gold loan branches/office premises and vehicles to employees. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right-to-use assets and lease liabilities for these leases.

**Recent Accounting Pronouncements:**

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For the year ended March 31, 2025, the 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 the new pronouncement is not applicable to the Company.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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## NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on hand | 25.18 | 47.59 |
| Balance with banks | | |
| - In current accounts | 503.05 | 816.33 |
| **Total** | **528.23** | **863.92** |

## NOTE 5. BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, and unspent CSR | 5.83 | 21.50 |
| In deposit accounts (refer note 5.1) | 816.96 | 922.27 |
| Interest accrued on deposits (refer note 5.1) | 9.59 | 22.81 |
| **Total** | **832.38** | **966.58** |

## NOTE 5.1 OUT OF THE DEPOSITS SHOWN ABOVE (INCLUSIVE OF INTEREST ACCRUED ON DEPOSITS)

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Lien marked | 781.21 | 890.77 |
| Margin for credit enhancement | 26.52 | 23.91 |
| Other deposits | 18.82 | 30.40 |
| **Total** | **826.55** | **945.08** |

## NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crores)

| Part I | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional amounts | Fair value - assets | Fair value - liabilities | Notional amounts | Fair value - assets | Fair value - liabilities |
| (i) Currency derivatives | | | | | | |
| - Spot and forwards | 7,196.37 | 50.25 | 94.67 | 4,074.52 | 140.65 | 30.92 |
| (ii) Interest rate derivatives | | | | | | |
| - Forward rate agreements and Interest rate swaps | - | - | - | 695.50 | 17.04 | - |
| (iii) Credit derivatives | - | - | - | - | - | - |
| (iv) Equity linked derivatives | - | - | - | - | - | - |
| (v) Other derivatives | - | - | - | - | - | - |
| Forward exchange contract | - | - | - | - | - | - |
| **Total** | **7,196.37** | **50.25** | **94.67** | **4,770.02** | **157.69** | **30.92** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Part II | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional amounts | Fair value - assets | Fair value - liabilities | Notional amounts | Fair value - assets | Fair value - liabilities |
| Included in above (part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| (i) Fair value hedging | - | - | - | - | - | - |
| (ii) Cash flow hedging | | | | | | |
| - Currency derivatives | 7,196.37 | 50.25 | 94.67 | 4,074.52 | 140.65 | 30.92 |
| - Interest rate derivative | - | - | - | 695.50 | 17.04 | - |
| (iii) Net investment hedging | - | - | - | - | - | - |
| (iv) Undesignated derivatives | - | - | - | - | - | - |
| Forward exchange contract | - | - | - | - | - | - |
| **Total** | **7,196.37** | **50.25** | **94.67** | **4,770.02** | **157.69** | **30.92** |

**Credit risk and currency risk**

(₹ in Crores)

| Particulars | Over the counter | | Exchange traded | | Total | |
|---|---|---|---|---|---|---|
| | Notional | Fair value | Notional | Fair value | Notional | Fair value |
| **Year ended March 31, 2025** | | | | | | |
| Derivative asset | 1,642.36 | 50.25 | - | - | 1,642.36 | 50.25 |
| Derivative liabilities | 5,554.01 | 94.67 | - | - | 5,554.01 | 94.67 |
| **Year ended March 31, 2024** | | | | | | |
| Derivative asset | 3,147.25 | 157.69 | - | - | 3,147.25 | 157.69 |
| Derivative liabilities | 1,622.77 | 30.92 | - | - | 1,622.77 | 30.92 |

### 6.1 HEDGING ACTIVITIES AND DERIVATIVES

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

### 6.1.1 DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, interest rate swaps and cross currency swaps.

The Company is exposed to interest rate risk arising from its floating rate foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the benchmark plus margin. The Company hedges the interest rate risk arising from the debt with a 'receive floating - pay fixed' interest rate swap.

The Company uses forward exchange contracts, interest rate swaps and cross currency swaps to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans. The Company designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS - 109 (refer note 38.C.2). These contracts are stated at fair value of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognised directly in the "Cash flow hedge reserve" under other comprehensive income and the ineffective portion is recognized immediately in the "Fair value changes" under statement of profit and loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward contracts/ Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal

repayment date, etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts/ interest rate swaps/ cross currency swaps are identical to the hedged risk components.

The Company does not use derivatives for trading or speculation purposes.

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Notional amount | 7,196.37 | 4,770.02 |
| Carrying amount | (44.42) | 126.77 |
| Line item in the statement of financial position | Derivative financial instruments | Derivative financial instruments |
| Change in fair value used for measuring ineffectiveness for the year (profit/ (loss)) | (6.93) | (15.13) |

(₹ in Crores)

| Impact of hedging item | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Change in fair value (profit/ (loss)) | - | - |
| Cash flow hedge reserve (profit/ (loss)) | (6.93) | (15.13) |
| Cost of hedging | - | - |

(₹ in Crores)

| Effect of cash flow hedge | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total hedging gain / (loss) recognized in OCI | (1.18) | (5.51) |
| Ineffectiveness recognized in profit/ (loss) | (6.93) | (15.13) |

## NOTE 7. RECEIVABLES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (i) Trade receivables | | |
| Receivables considered good - secured | 0.46 | 0.20 |
| Receivables considered good - unsecured* | 49.07 | 42.07 |
| **Total (i) - gross** | **49.53** | **42.27** |
| **Less:** Impairment loss allowance | 0.16 | - |
| **Total (i) - net** | **49.37** | **42.27** |
| **(ii) Other receivables** | | |
| Receivables considered good - unsecured | - | 29.65 |
| **Total (ii)- gross** | **-** | **29.65** |
| **Less:** Impairment loss allowance | - | - |
| **Total (ii)- net** | **-** | **29.65** |
| **Total (i+ii)** | **49.37** | **71.92** |

* Including receivables from group/ subsidiary companies (refer note 44.2)

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 7.1 TRADE RECEIVABLES AGEING SCHEDULE (GROSS)

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 49.46 | 0.07 | - | - | - | **49.53** |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | **-** |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | **-** |
| (iv) Disputed trade receivables– considered good | - | - | - | - | - | **-** |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | **-** |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | **-** |
| **Total** | **49.46** | **0.07** | **-** | **-** | **-** | **49.53** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 42.27 | - | - | - | - | **42.27** |
| (ii) Undisputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | **-** |
| (iii) Undisputed trade receivables – credit impaired | - | - | - | - | - | **-** |
| (iv) Disputed trade receivables– considered good | - | - | - | - | - | **-** |
| (v) Disputed trade receivables – which have significant increase in credit risk | - | - | - | - | - | **-** |
| (vi) Disputed trade receivables – credit impaired | - | - | - | - | - | **-** |
| **Total** | **42.27** | **-** | **-** | **-** | **-** | **42.27** |

**Notes:**

1. No trade or other receivables are due from directors or other officer of the Company either severally or jointly, with any other person. No trade or other receivables are due from firms including limited liability partnerships in which any director is a partner or a director or a member.
2. The Company has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognized on credit impaired receivables.
3. Trade receivables are non-interest bearing.

## NOTE 8. LOANS

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income (refer note 8.3) | Total |
| **(A)** | | | |
| (i) Term loans | 17,141.34 | 5,404.93 | **22,546.27** |
| (ii) Others (dues from customers etc) | 758.29 | - | **758.29** |
| **Total (A) - Gross** | **17,899.63** | **5,404.93** | **23,304.56** |
| **Less:** Impairment loss allowance (including stage 3 ECL on principal 269.81 crore) | 407.10 | 30.47 | **437.57** |
| **Total (A) - Net** | **17,492.53** | **5,374.46** | **22,866.99** |
| **(B)** | | | |
| (i) Secured by tangible assets (refer note 8.1 and 8.2) | 11,117.98 | 4,771.15 | **15,889.13** |
| (ii) Covered by bank/ government guarantees | 88.78 | - | **88.78** |
| (iii) Unsecured | 6,692.87 | 633.78 | **7,326.65** |
| **Total (B) - Gross** | **17,899.63** | **5,404.93** | **23,304.56** |
| **Less:** Impairment loss allowance | 407.10 | 30.47 | **437.57** |
| **Total (B) - Net** | **17,492.53** | **5,374.46** | **22,866.99** |
| **(C)** | | | |
| **(I) Loans in India** | | | |
| (i) Public sector | - | - | **-** |
| (ii) Others | 17,899.63 | 5,404.93 | **23,304.56** |
| **Total (C) (I) - Gross** | **17,899.63** | **5,404.93** | **23,304.56** |
| **Less:** Impairment loss allowance | 407.10 | 30.47 | **437.57** |
| **Total (C) (I) - Net** | **17,492.53** | **5,374.46** | **22,866.99** |
| **(II) Loans outside India (C) (II)** | **-** | **-** | **-** |
| **Total C (I) and C (II)** | **17,492.53** | **5,374.46** | **22,866.99** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income (refer note 8.3) | Total |
| **(A)** | | | |
| (i) Term loans | 16,777.92 | 723.78 | **17,501.70** |
| (ii) Non convertible debentures - for financing real estate projects | 340.75 | - | **340.75** |
| (iii) Loans to related parties (refer note 44.2) | 0.04 | - | **0.04** |
| (iv) Others (dues from customers etc) | 1,159.23 | - | **1,159.23** |
| **Total (A) - Gross** | **18,277.94** | **723.78** | **19,001.72** |
| **Less:** Impairment loss allowance (including stage 3 ECL on principal 320.24 crore) | 560.68 | 14.20 | **574.88** |
| **Total (A) - Net** | **17,717.26** | **709.58** | **18,426.84** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income (refer note 8.3) | Total |
| **(B)** | | | |
| (i) Secured by tangible assets (refer note 8.1 and 8.2) | 12,595.65 | 179.94 | **12,775.59** |
| (ii) Covered by bank/ government guarantees | 14.05 | - | **14.05** |
| (iii) Unsecured | 5,668.24 | 543.84 | **6,212.08** |
| **Total (B) - Gross** | **18,277.94** | **723.78** | **19,001.72** |
| **Less:** Impairment loss allowance | 560.68 | 14.20 | **574.88** |
| **Total (B) - Net** | **17,717.26** | **709.58** | **18,426.84** |
| **(C)** | | | |
| **(I) Loans in India** | | | |
| (i) Public sector | - | - | **-** |
| (ii) Others | 18,277.94 | 723.78 | **19,001.72** |
| **Total (C) (I) - Gross** | **18,277.94** | **723.78** | **19,001.72** |
| **Less:** Impairment loss allowance | 560.68 | 14.20 | **574.88** |
| **Total (C) (I) - Net** | **17,717.26** | **709.58** | **18,426.84** |
| **(II) Loans outside India (C) (II)** | **-** | **-** | **-** |
| **Total C (I) and C (II)** | **17,717.26** | **709.58** | **18,426.84** |

**Notes:**

8.1 Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.

8.2 Secured loans include loans aggregating to ₹ 124.15 Crores (previous year ₹ 71.01 Crores) in respect of which the creation of security is under process.

8.3 Loans classified under fair value through other comprehensive income relate to those available for sale in their present condition.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 9. INVESTMENTS

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | At fair value through profit and loss | At cost | Total |
| **(A)** | | | |
| Mutual funds | 0.00 | - | **0.00** |
| Alternate investment funds | 25.00 | - | **25.00** |
| Security receipts | 3,524.03 | - | **3,524.03** |
| Government securities | 5.09 | - | **5.09** |
| Bonds | 145.71 | - | **145.71** |
| Equity instruments: | | | |
| in subsidiaries | - | 2,159.89 | **2,159.89** |
| in others | 192.11 | - | **192.11** |
| **Total (A) - Gross** | **3,891.94** | **2,159.89** | **6,051.83** |
| **Less:** Impairment loss allowance | 594.26 | - | **594.26** |
| **Total (A) - Net** | **3,297.68** | **2,159.89** | **5,457.57** |
| **(B)** | | | |
| (i) Investments outside India | - | - | **-** |
| (ii) Investments in India | 3,891.94 | 2,159.89 | **6,051.83** |
| **Total (B) - Gross** | **3,891.94** | **2,159.89** | **6,051.83** |
| **Less:** Impairment loss allowance | 594.26 | - | **594.26** |
| **Total (B) - Net** | **3,297.68** | **2,159.89** | **5,457.57** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | At fair value through profit and loss | At cost | Total |
| **(A)** | | | |
| Mutual funds | 0.00 | - | **0.00** |
| Alternate investment funds | 20.77 | - | **20.77** |
| Security receipts | 2,911.03 | - | **2,911.03** |
| Government securities | 5.05 | - | **5.05** |
| Bonds | 54.72 | - | **54.72** |
| Preference shares | 40.16 | - | **40.16** |
| Equity instruments: | | | |
| in subsidiaries | - | 2,107.81 | **2,107.81** |
| in others | 24.13 | - | **24.13** |
| **Total (A) - Gross** | **3,055.86** | **2,107.81** | **5,163.67** |
| **Less:** Impairment loss allowance | 7.09 | - | **7.09** |
| **Total (A) - Net** | **3,048.77** | **2,107.81** | **5,156.58** |
| **(B)** | | | |
| (i) Investments outside India | - | - | **-** |
| (ii) Investments in India | 3,055.86 | 2,107.81 | **5,163.67** |
| **Total (B) - Gross** | **3,055.86** | **2,107.81** | **5,163.67** |
| **Less:** Impairment loss allowance | 7.09 | - | **7.09** |
| **Total (B) - Net** | **3,048.77** | **2,107.81** | **5,156.58** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

### NOTE 9.1 INVESTMENT DETAILS SCRIP WISE

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) |
| **Mutual funds** | | | **0.00** | | | **0.00** |
| Nippon India Mutual Fund ETF Liquid Bees | 40.78 | 1,000.00 | 0.00 | 38.72 | 1,000.00 | 0.00 |
| **Alternate investment funds** | | | **25.00** | | | **20.77** |
| Phi Capital Growth Fund-I | 292.21 | 1,00,000.00 | 8.25 | 282.01 | 1,00,000.00 | 7.60 |
| Phi Capital Growth Fund-I.6 | 95.69 | 1,00,000.00 | 0.64 | 48.63 | 1,00,000.00 | 0.43 |
| IIFL One Value Fund Series B - Class C | 50,00,000.00 | 10.00 | 5.68 | 50,00,000.00 | 10.00 | 5.68 |
| Faering Capital Growth Fund III | 27,550.00 | 1,000.00 | 2.47 | 17,750.00 | 1,000.00 | 1.57 |
| IIFL Securities Capital Enhancer Fund - Class S | 9,87,815.89 | 10.00 | 1.93 | 10,00,000.00 | 10.00 | 1.41 |
| IIFL Securities Capital Enhancer Fund - Class E | 1,999.90 | 10.00 | 0.00 | 1,999.90 | 10.00 | 0.00 |
| IIFL One Opportunities FoF - Series 1 | 30,95,601.13 | 10.00 | 4.51 | 30,95,601.13 | 10.00 | 4.08 |
| IIFL Fintech Fund-Series II | 14,99,925.00 | 10.00 | 1.52 | - | - | - |
| **Security receipts** | | | **3,524.03** | | | **2,911.03** |
| ACRE - 110 - Trust (Tranche I) | 38,25,000.00 | 887.11 | 308.78 | 38,25,000.00 | 887.11 | 308.78 |
| ACRE-110-Trust (Tranche II) | 53,97,500.00 | 950.14 | 384.63 | 53,97,500.00 | 950.14 | 384.63 |
| Arcil-SBPS-049-I- Trust | 8,33,000.00 | 140.85 | 11.73 | 8,33,000.00 | 140.85 | 11.73 |
| Phoenix Trust-FY23-20 | 21,25,000.00 | 833.00 | 177.01 | 21,25,000.00 | 886.00 | 188.28 |
| Phoenix Trust-FY24-8 | 8,26,000.00 | 862.00 | 53.44 | 8,26,000.00 | 982.00 | 81.11 |
| Phoenix Trust-FY24-14 | 1,30,00,000.00 | 1,000.00 | 1,300.00 | 1,30,00,000.00 | 1,000.00 | 1,300.00 |
| Rare-045 | 4,12,890.00 | 1,000.00 | 40.88 | 5,00,000.00 | 1,000.00 | 50.00 |
| Rare-068 | 69,60,000.00 | 1,000.00 | 696.00 | 58,65,000.00 | 1,000.00 | 586.50 |
| Rare-052 | 2,75,600.00 | 1,000.00 | 27.56 | - | - | - |
| Phoenix Trust-FY24-17 | 50,00,000.00 | 1,000.00 | 500.00 | - | - | - |
| Rare ARC 074 | 2,40,000.00 | 1,000.00 | 24.00 | - | - | - |
| **Equity instruments (other than subsidiaries)** | | | **192.11** | | | **24.13** |
| Vishal Mega Mart | 64.00 | 10.00 | 0.00 | - | - | - |
| Indian Overseas Bank | 4,92,97,510.00 | 10.00 | 192.11 | - | - | - |
| Swan Energy Limited | - | - | - | 1,94,029.00 | 1.00 | 13.00 |
| Suraj Estate Developers Limited | - | - | - | 4,26,627.00 | 5.00 | 11.13 |
| **Government securities** | | | **5.09** | | | **5.05** |
| 7.38 % Govt. 50,000,000.00 Stock 2027 | 5,00,000.00 | 100.00 | 5.09 | 5,00,000.00 | 100.00 | 5.05 |
| **Bonds** | | | **145.71** | | | **54.72** |
| Adani Ports And Special Economic Zone Limited | 5,000.00 | 1,00,000.00 | 50.56 | 5,000.00 | 1,00,000.00 | 50.65 |
| Punjab Sind Bank Infra Bond | 500.00 | 1,00,000.00 | 5.00 | - | - | - |
| Rare ARC Bond | 9,000.00 | 1,00,000.00 | 90.00 | - | - | - |
| Antractica NCD | 14.00 | 1,00,000.00 | 0.15 | - | - | - |
| Andhra Pradesh State Beverages Corporation Limited | - | - | - | 163.00 | 2,50,000.00 | 4.07 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) |
| **Preference Shares** | | | **-** | | | **40.16** |
| Open Financial Technologies Private Limited | - | - | - | 201.00 | 100.00 | 40.16 |
| **Equity instruments (in subsidiaries)** | | | **2,159.89** | | | **2,107.81** |
| IIFL Home Finance Limited | 2,09,67,681.00 | 10.00 | 825.48 | 2,09,67,681.00 | 10.00 | 825.48 |
| IIFL Samasta Finance Limited | 66,55,10,372.00 | 10.00 | 1,243.93 | 66,55,10,372.00 | 10.00 | 1,243.93 |
| IIFL Open Fintech Private Limited | 1,68,38,710.00 | 10.00 | 90.48 | 85,91,397.00 | 10.00 | 38.40 |
| **Total Gross** | | | **6,051.83** | | | **5,163.67** |

## NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(Unsecured, considered good)** | | |
| Security deposits | 40.25 | 40.32 |
| Deposit with exchange | 3.25 | 0.25 |
| Interest strip asset on assignment | 257.98 | 637.10 |
| Staff advances | 0.05 | 0.06 |
| Insurance receivable | 11.70 | 32.98 |
| **Less:** Impairment loss allowance on insurance receivable (refer note 10.1) | 11.57 | 24.57 |
| Other receivables | 55.36 | 55.01 |
| Accrued interest on investments | 1.17 | 1.17 |
| Other advances | 6.43 | - |
| **(Unsecured, considered doubtful)** | | |
| Other advances | 5.56 | 5.56 |
| **Less:** Impairment loss allowance on other advances (refer note 10.2) | 5.56 | 5.56 |
| Security deposits | 0.05 | 0.13 |
| **Less:** Impairment loss allowance on security deposits (refer note 10.3) | 0.05 | 0.13 |
| **Total** | **364.62** | **742.32** |

## NOTE 10.1 IMPAIRMENT LOSS ALLOWANCE ON INSURANCE RECEIVABLE:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **24.57** | **22.10** |
| Addition | 1.69 | 6.75 |
| Reduction | (14.69) | (4.28) |
| **Closing** | **11.57** | **24.57** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 10.2 IMPAIRMENT LOSS ALLOWANCE ON OTHER ADVANCES:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **5.56** | **-** |
| Addition | - | 5.56 |
| Reduction | - | - |
| **Closing** | **5.56** | **5.56** |

## NOTE 10.3 IMPAIRMENT LOSS ALLOWANCE ON SECURITY DEPOSITS:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **0.13** | **0.06** |
| Addition | 0.01 | 0.30 |
| Reduction | (0.09) | (0.23) |
| **Closing** | **0.05** | **0.13** |

## NOTE 11.DEFERRED TAX ASSETS AND LIABILITIES

**Significant components of deferred tax assets and liabilities:**

(₹ in Crores)

| Particulars | Opening balance (as on April 01, 2024) | Recognised in profit and loss account | Recognised in/ reclassified from OCI | Closing balance (as on March 31, 2025) |
|---|---|---|---|---|
| Property, plant and equipment | 32.85 | 3.61 | - | **36.46** |
| Provisions, allowances for doubtful receivables/ loans | 150.50 | (37.65) | - | **112.85** |
| Deduction for provision for doubtful debts | (6.51) | 11.87 | - | **5.36** |
| Compensated absences and retirement benefits | 6.04 | 0.40 | 0.63 | **7.07** |
| Income amortization (net) | (152.65) | 86.64 | - | **(66.01)** |
| Expenses deductible in future years | 0.49 | - | - | **0.49** |
| MTM on investment and derivative financial instruments | 33.54 | 155.12 | - | **188.66** |
| Provision on Investment | 1.78 | 0.17 | - | **1.95** |
| Cash flow hedge reserve | 5.29 | - | 0.40 | **5.69** |
| Leases- Ind AS 116 | 4.59 | (1.57) | - | **3.02** |
| **Total** | **75.92** | **218.59** | **1.03** | **295.54** |

(₹ in Crores)

| Particulars | Opening balance (as on April 01, 2023) | Recognised in profit and loss account | Recognised in/ reclassified from OCI | Closing balance (as on March 31, 2024) |
|---|---|---|---|---|
| Property, plant and equipment | 28.83 | 4.02 | - | **32.85** |
| Provisions, allowances for doubtful receivables/ loans | 125.75 | 24.75 | - | **150.50** |
| Deduction for provision for doubtful debts | 5.57 | (12.08) | - | **(6.51)** |
| Compensated absences and retirement benefits | 4.19 | 1.03 | 0.82 | **6.04** |
| Income amortization (net) | (193.74) | 41.09 | - | **(152.65)** |

(₹ in Crores)

| Particulars | Opening balance (as on April 01, 2023) | Recognised in profit and loss account | Recognised in/ reclassified from OCI | Closing balance (as on March 31, 2024) |
|---|---|---|---|---|
| Expenses deductible in future years | 0.49 | - | - | **0.49** |
| MTM on investment and derivative financial instruments | 51.24 | (17.70) | - | **33.54** |
| Provision on Investment | - | 1.78 | - | **1.78** |
| Cash flow hedge reserve | 3.44 | - | 1.85 | **5.29** |
| Leases- Ind AS 116 | 6.03 | (1.44) | - | **4.59** |
| **Total** | **31.80** | **41.45** | **2.67** | **75.92** |

## NOTE 12. INVESTMENT PROPERTY (AT COST)

(₹ in Crores)

| Particulars | Property (flats)* (Refer note 12.2) | Land | Investment property under construction (Refer note 12.3) | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| **As at April 1, 2024** | **155.55** | **138.15** | **-** | **293.70** |
| Additions during the year | - | - | 575.00 | **575.00** |
| Deductions/ adjustments during the year | - | - | - | **-** |
| **As at March 31, 2025** | **155.55** | **138.15** | **575.00** | **868.70** |
| **Less :** Impairment loss allowance | - | - | - | **-** |
| **Net carrying value as at March 31, 2025** | **155.55** | **138.15** | **575.00** | **868.70** |
| "Fair value as on March 31, 2025 (Fair value hierarchy : Level 3)" | 260.31 | 152.84 | 575.00 | **988.15** |

*Distress value of above flats is ₹ 219.21 Crores.

(₹ in Crores)

| Particulars | Property (flats)* (Refer note 12.2) | Land | Investment property under construction (Refer note 12.3) | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| **As at April 1, 2023** | **155.55** | **138.15** | **-** | **293.70** |
| Additions during the year | - | - | - | **-** |
| Deductions/ adjustments during the year | - | - | - | **-** |
| **As at March 31, 2024** | **155.55** | **138.15** | **-** | **293.70** |
| **Less :** Impairment loss allowance | - | - | - | **-** |
| **Net carrying value as at March 31, 2024** | **155.55** | **138.15** | **-** | **293.70** |
| "Fair value as on March 31, 2024 (Fair value hierarchy : Level 3)" | 193.40 | 151.65 | - | **345.05** |

*Distress value of above flats is ₹ 159.27 Crores.

**Note 12.1**: Management had acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready recknor published by government. These valuations has been performed

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

by an independent registered valuer registered under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

**Note 12.2:** In respect of residential flats located in Mumbai, the Maharashtra Real Estate Regulatory Authority (MAHARERA) has passed an order directing the developer to hand over the possession of the flats along with compensation for the delay. The developer has preferred an appeal against this Order and the matter is pending before the Maharashtra Real Estate Regulatory Appellate Tribunal (MAHAREAT).

**Note 12.3:** Investment property under construction represent rights acquired by the Company in properties which are under construction. These rights are in respect of constructed area in the properties located in prime areas in Mumbai and are part of the projects of recognized real estate developers and not by the Company. Accordingly, disclosures in terms of paragraph WB(vi) of general instructions for preparation of Balance Sheet prescribed in Division III of Schedule III to the Companies Act, 2013 are not made. The Company and the concerned parties are in the process of registering the documents by which the Company has acquired the title over the Investment properties under construction. The acquisitions of these rights in the properties were in the normal course of the business and none of the promoters, directors or their relatives are associated with these transactions in any manner.

## NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

| Particulars | Furniture and fixtures | Vehicles | Office equipment | Building | Plant and equipment | Computer | Total |
|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2024** | **169.73** | **1.94** | **33.55** | **0.01** | **57.15** | **54.40** | **316.78** |
| Additions during the year | 35.23 | - | 2.69 | - | 8.13 | 5.14 | **51.19** |
| Deductions/ adjustments | (9.59) | - | (0.69) | - | (2.52) | (6.34) | **(19.14)** |
| **As at March 31, 2025** | **195.37** | **1.94** | **35.55** | **0.01** | **62.76** | **53.20** | **348.83** |
| **Accumulated depreciation** | | | | | | | |
| **As at April 1, 2024** | **96.87** | **0.42** | **14.83** | **0.01** | **36.71** | **35.59** | **184.43** |
| Depreciation for the year | 26.52 | 0.39 | 6.69 | - | 8.70 | 10.75 | **53.05** |
| Deductions/ adjustments | (8.86) | - | (0.66) | - | (2.26) | (6.00) | **(17.78)** |
| **As at March 31, 2025** | **114.53** | **0.81** | **20.86** | **0.01** | **43.15** | **40.34** | **219.70** |
| **Net block as at March 31, 2025** | **80.84** | **1.13** | **14.69** | **0.00** | **19.61** | **12.86** | **129.13** |

(₹ in Crores)

| Particulars | Furniture and fixtures | Vehicles | Office equipment | Building | Plant and equipment | Computer | Total |
|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2023** | **159.61** | **1.15** | **30.68** | **24.56** | **51.08** | **48.72** | **315.80** |
| Additions during the year | 24.77 | 1.94 | 6.78 | - | 8.45 | 14.81 | **56.75** |
| Deductions/ adjustments | (14.65) | (1.15) | (3.91) | (24.55) | (2.38) | (9.13) | **(55.77)** |
| **As at March 31, 2024** | **169.73** | **1.94** | **33.55** | **0.01** | **57.15** | **54.40** | **316.78** |
| **Accumulated depreciation** | | | | | | | |
| **As at April 1, 2023** | **82.28** | **1.15** | **12.68** | **8.48** | **29.65** | **33.77** | **168.01** |
| Depreciation for the year | 28.30 | 0.42 | 6.03 | 0.35 | 9.22 | 10.72 | **55.04** |
| Deductions/ adjustments | (13.71) | (1.15) | (3.88) | (8.82) | (2.16) | (8.90) | **(38.62)** |
| **Up to March 31, 2024** | **96.87** | **0.42** | **14.83** | **0.01** | **36.71** | **35.59** | **184.43** |
| **Net block as at March 31, 2024** | **72.86** | **1.52** | **18.72** | **0.00** | **20.44** | **18.81** | **132.35** |

**Notes:**

1. Immovable property have been offered by way of first pari-passu charge against non convertible debentures.
2. The Company has not revalued any of its property, plant and equipment.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 14 (A). CAPITAL-WORK-IN PROGRESS (CWIP)

**Ageing schedule**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 5.22 | 13.41 | 3.66 | - | **22.29** |
| Projects temporarily suspended | - | - | - | - | **-** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 41.72 | 10.11 | - | - | **51.83** |
| Projects temporarily suspended | - | - | - | - | **-** |

**Notes 14(a).1** : No projects were delayed for completion or had exceeded its cost compared to its original plan.

**Note 14 (b). Intangible assets under development**

(₹ in Crores)

| Name of project | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.88 | - | - | - | **0.88** |
| Projects temporarily suspended | - | - | - | - | **-** |

(₹ in Crores)

| Name of project | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.17 | - | - | - | **0.17** |
| Projects temporarily suspended | - | - | - | - | **-** |

**Notes 14(b).1** : No projects were delayed for completion or had exceeded its cost compared to its original plan.

## NOTE 15. LEASES

**As a Lessee**

**a) Changes in the carrying value of right to use assets**

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Opening balance as at April 01, 2024** | **363.97** | **0.01** | **363.98** |
| **Add/ (less):** Addition during the year | 58.29 | - | **58.29** |
| **Add/ (less):** Deduction/ adjustment | (1.87) | - | **(1.87)** |
| **Add/ (less):** Depreciation during the year | (81.01) | (0.01) | **(81.02)** |
| **Closing balance as at March 31, 2025** | **339.38** | **0.00** | **339.38** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Opening balance as at April 01, 2023** | **328.15** | **0.08** | **328.23** |
| **Add/ (less):** Addition during the year | 79.62 | - | **79.62** |
| **Add/ (less):** Deduction/ adjustment | 33.80 | - | **33.80** |
| **Add/ (less):** Depreciation during the year | (77.60) | (0.07) | **(77.67)** |
| **Closing balance as at March 31, 2024** | **363.97** | **0.01** | **363.98** |

**b) Break up value of the current and non-current finance lease obligations**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Current finance lease obligation | 71.74 | 78.17 |
| Non-current finance lease obligation | 279.53 | 303.96 |
| **Total** | **351.27** | **382.13** |

**c) Movement in finance lease obligations**

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Balance as at April 01, 2024** | **382.12** | **0.01** | **382.13** |
| **Add/ (less):** Addition during the year | 57.55 | - | **57.55** |
| **Add/ (less):** Deduction/ adjustment | (2.09) | - | **(2.09)** |
| **Add/ (less):** Finance cost accrued during the period | 39.09 | - | **39.09** |
| **Add/ (less):** Payment of finance lease obligation | (125.40) | (0.01) | **(125.41)** |
| **Closing balance as at March 31, 2025** | **351.27** | **0.00** | **351.27** |

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Balance as at April 01, 2023** | **352.13** | **0.09** | **352.22** |
| **Add/ (less):** Addition during the year | 79.28 | - | **79.28** |
| **Add/ (less):** Deduction/ adjustment | 32.39 | - | **32.39** |
| **Add/ (less):** Finance cost accrued during the period | 31.90 | 0.00 | **31.90** |
| **Add/ (less):** Payment of finance lease obligation | (113.58) | (0.08) | **(113.66)** |
| **Closing balance as at March 31, 2024** | **382.12** | **0.01** | **382.13** |

**d) Details regarding the contractual maturities of finance lease obligation on an undiscounted basis**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Less than one year | 113.27 | 105.49 |
| One to two years | 85.57 | 88.75 |
| Two to five years | 169.10 | 177.29 |
| More than five years | 121.11 | 130.98 |
| **Total** | **489.05** | **502.51** |

**e)** Rental expense recorded for short-term leases was ₹ 2.38 crore (previous year ₹ 2.74 crore)

**f) Amounts recognized in profit or loss**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Interest on finance lease obligation | 39.09 | 31.90 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | 0.04 | 0.15 |
| Depreciation for the year | 81.02 | 77.67 |
| **Total** | **120.15** | **109.72** |

**g) Amounts recognized in the statement of cash flows**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total cash outflow for finance lease obligation | 125.41 | 113.66 |

**h)** The Company has not revalued any of its right to use assets.

## NOTE 16. OTHER INTANGIBLE ASSETS

(₹ in Crores)

| Particulars | Software |
|---|---|
| **Cost or valuation as at April 1, 2024** | **14.18** |
| Additions during the year | 4.96 |
| Deductions/ adjustments | - |
| **As at March 31, 2025** | **19.14** |
| **Accumulated Amortization** | |
| **As at April 1, 2024** | **10.06** |
| Amortization during the year | 2.91 |
| **As at March 31, 2025** | **12.97** |
| **Net block as at March 31, 2025** | **6.17** |

(₹ in Crores)

| Particulars | Software |
|---|---|
| **Cost or valuation as at April 1, 2023** | **10.82** |
| Additions during the year | 3.36 |
| Deductions/ adjustments | - |
| **As at March 31, 2024** | **14.18** |
| **Accumulated Amortization** | |
| **As at April 1, 2023** | **7.87** |
| Amortization during the year | 2.19 |
| **As at March 31, 2024** | **10.06** |
| **Net block as at March 31, 2024** | **4.12** |

**Note 16.1**: The Company has not revalued any of its intangible assets.

**Note 16.2**: None of the intangible assets are internally generated.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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## NOTE 17. OTHER NON-FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Prepaid expenses* | 91.56 | 70.14 |
| Advances for operational expenses* | 29.64 | 9.30 |
| Deposits with government | 1.98 | 1.98 |
| GST input | 22.87 | 18.31 |
| Other assets | 8.23 | 9.63 |
| **Total** | **154.28** | **109.36** |

* Includes foreign currency payments amounting to ₹ 0.50 Crores (previous year ₹ 0.51 Crores)

## NOTE 18. PAYABLES

(₹ in Crores)

| Particulars | | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **(I)** | **Trade payables** | | | |
| | (i) | Total outstanding dues of micro enterprises and small enterprises (refer note 18.1) | 2.28 | 5.72 |
| | (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| | | Outstanding dues of creditors | 4.71 | 9.83 |
| | | Provision for expenses | 80.47 | 99.48 |
| | | Other trade payables * | 5.84 | 25.30 |
| **Total (I)** | | | **93.30** | **140.33** |
| **(II)** | **Other payables** | | | |
| | (i) | Total outstanding dues of micro enterprises and small enterprises (refer note 18.1) | - | - |
| | (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | 34.28 | - |
| **Total (II)** | | | **34.28** | **-** |

* Including payable to group/ subsidiary Companies (refer note 44.2)

## NOTE 18.1 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED Act:

(₹ in Crores)

| Particulars | | 2024-25 | 2023-24 |
|---|---|---|---|
| (a) | Principal amount remaining unpaid to any supplier at the year end | 2.28 | 5.72 |
| (b) | Interest due thereon remaining unpaid to any supplier at the year end | - | - |
| (c) | Amount of interest paid and payments made to the supplier beyond the appointed day during the year | - | - |
| (d) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | - | - |

| | | | |
|---|---|---|---|
| (e) | Amount of interest accrued and remaining unpaid at the year end | - | - |
| (f) | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | - | - |

**Notes** :

a) The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act.

b) Dues to micro and small enterprises which have not been discharged beyond the specified date under the MSMED Act, as such enterprises have not provided proof of payment of Goods and Services tax to the Company or dues have been held back under the defect / retention clause of the agreement are not reported in the above table as such dues are not considered as due for payment. In addition, no provision for interest is made on such dues.

## NOTE 18.2 TRADE PAYABLES AGEING SCHEDULE

(₹ in Crores)

| Particulars | | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| As at March 31, 2025 | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | - | 2.28 | 0.00 | - | - | **2.28** |
| (ii) | Others | 38.66 | 52.16 | 0.11 | 0.04 | 0.05 | **91.02** |
| (iii) | Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) | Disputed dues - Others | - | - | - | - | - | **-** |
| **Total** | | **38.66** | **54.44** | **0.11** | **0.04** | **0.05** | **93.30** |

(₹ in Crores)

| Particulars | | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| As at March 31, 2024 | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | - | 5.72 | - | - | - | **5.72** |
| (ii) | Others | 90.67 | 43.58 | 0.30 | 0.05 | 0.01 | **134.61** |
| (iii) | Disputed dues – MSME | - | - | - | - | - | **-** |
| (iv) | Disputed dues - Others | - | - | - | - | - | **-** |
| **Total** | | **90.67** | **49.30** | **0.30** | **0.05** | **0.01** | **140.33** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 19. DEBT SECURITIES

(₹ in Crores)

| Particulars | | At amortized cost | |
|---|---|---|---|
| | | As at March 31, 2025 | As at March 31, 2024 |
| | **(A)** | | |
| (i) | Non convertible debentures - secured {refer note (a) to (d)} | 8,643.23 | 3,374.05 |
| | **Less** : Unamortized debenture issue expenses | 54.35 | 27.43 |
| (ii) | Commercial papers - unsecured | 2,649.70 | 850.00 |
| | **Less :** Unexpired discount on commercial papers | 60.85 | 10.98 |
| (iii) | Interest accrued but not due | 182.27 | 154.82 |
| **Total (A)** | | **11,360.00** | **4,340.46** |
| | **(B)** | | |
| Debt securities in India | | 7,696.84 | 4,340.46 |
| Debt securities outside India | | 3,663.16 | - |
| **Total (B)** | | **11,360.00** | **4,340.46** |

**Footnotes:**

(a) The Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, loans and advances including receivables other than those specifically charged.

(b) Non Convertible Debentures - Includes redeemable non-convertible debenture which carries call and put option of ₹600 Crores (from December 04, 2025).

(c) During the year, the Company has borrowed ₹ 2,809.91 Crores (equivalent to US$ 325 million) under Global Medium Term Note Programme. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio, but excluding the Ineligible Assets.

(d) During the year, the Company has borrowed ₹ 870.15 Crores (equivalent to US$ 100 million) under Global Medium Term Note Programme. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio, but excluding the Ineligible Assets.

## NOTE 19.1- TERMS OF REPAYMENT

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of interest / yield | Amount (₹ in Crores) | Rate of interest / yield | Amount (₹ in Crores) |
| **Non convertible debentures (secured)** | | | | |
| **Fixed:** | | **8,616.53** | | **3,190.33** |
| More than 5 years | 8.33% - 9.45% | 742.50 | 8.33% - 9.45% | 1,005.00 |
| 3-5 Years | 8.33% - 13.00% | 4,277.84 | 8.33% - 9.00% | 697.40 |
| 1-3 Years | 8.42% - 9.90% | 2,653.62 | 8.35% - 9.50% | 1,053.40 |
| Less than 1 year | 8.35% - 9.90% | 942.57 | 8.25% - 8.50% | 434.53 |
| **Zero coupon:** | | **26.70** | | **183.72** |
| 1-3 Years | 8.75% | 26.70 | 8.75% | 26.92 |
| Less than 1 year | - | - | 8.00% - 9.18% | 156.80 |
| **Commercial papers - (unsecured)** | | | | |
| **Zero coupon:** | | **2,649.70** | | **850.00** |
| Less than 1 year | 8.50% - 10.00% | 2,649.70 | 9.05% - 9.18% | 850.00 |
| **TOTAL** | | **11,292.93** | | **4,224.05** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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## NOTE 19.2 - NON CONVERTIBLE DEBENTURES - SECURED - INSTRUMENT WISE DETAILS

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series I. Date Of Maturity 28/06/2025 | 8.35% | 46.98 | 47.00 |
| 8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series II. Date Of Maturity 28/06/2025 | 8.35% | 14.24 | 14.24 |
| 8.75% Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026 | 8.75% | 24.13 | 24.13 |
| 8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026 | 8.75% | 57.21 | 57.21 |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option A Date Of Maturity 10/03/2026 | 9.90% | 400.00 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option B Date Of Maturity 20/03/2026 | 9.90% | 400.00 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option C Date Of Maturity 20/04/2026 | 9.90% | 446.90 | - |
| 8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series III. Date Of Maturity 28/06/2026 | 8.50% | 123.58 | 123.58 |
| 8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series IV. Date Of Maturity 28/06/2026 | 8.50% | 8.91 | 8.91 |
| 8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026 | 8.42% | 141.74 | 144.22 |
| 8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026 | 8.75% | 133.46 | 134.12 |
| Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026 | 8.75% | 26.70 | 26.92 |
| 9.80% Secured Rated Listed Redeemable Non-Convertible Debenture Series D27 Date Of Maturity 03/12/2026. | 9.80% | 600.00 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D31 Date Of Maturity 08/03/2027 | 9.90% | 135.00 | - |
| 9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity 20/03/2027 | 9.50% | 500.00 | 500.00 |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D28 Date Of Maturity 20/12/2027 | 9.90% | 250.00 | - |
| 9.00% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028 | 9.00% | 118.93 | 118.93 |
| Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028 | 9.00% | 37.86 | 37.86 |
| 8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028 | 8.65% | 157.24 | 157.24 |
| 8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity 28/06/2028 | 8.65% | 88.20 | 88.91 |
| 9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity 28/06/2028 | 9.00% | 131.94 | 131.94 |
| 9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity 28/06/2028 | 9.00% | 37.52 | 37.52 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 8.75% Secured Medium Term Note. Date Of Maturity- 24/07/2028* | 8.75% | 3,632.69 | - |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2028 | 8.33% | 125.00 | 125.00 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2029 | 8.33% | 125.00 | 125.00 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2030 | 8.33% | 125.00 | 125.00 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031 | 8.33% | 125.00 | 125.00 |
| 8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032 | 8.50% | 10.00 | 10.00 |
| 8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032 | 8.60% | 60.00 | 60.00 |
| 9% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032 | 9.00% | 10.00 | 10.00 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2029 | 9.45% | 137.50 | 137.50 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2030 | 9.45% | 137.50 | 137.50 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2031 | 9.45% | 137.50 | 137.50 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032 | 9.45% | 137.50 | 137.50 |
| 8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures Series D23. Date Of Maturity 15/04/2024 | 8.50% | - | 125.00 |
| G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024 | 8.50% | - | 26.00 |
| G-Sec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024 | 8.25% | - | 115.00 |
| G-Sec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024 | 8.00% | - | 100.00 |
| 8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024 | 8.50% | - | 92.83 |
| Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024 | 8.50% | - | 56.79 |
| 8.50% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025 | 8.50% | - | 45.63 |
| Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025 | 8.50% | - | 30.07 |
| **TOTAL** | | **8,643.23** | **3,374.05** |

* Includes hedge cost

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 19.3 - COMMERCIAL PAPERS - UNSECURED - INSTRUMENT WISE DETAILS

(₹ in Crores)

| Description of security | Coupon/ Yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 9.10% Unsecured Listed Commercial Paper 91 Days Date of Maturity April 16, 2025 | 9.10% | 50.00 | - |
| 9.50% Unsecured Listed Commercial Paper 31 Days Date of Maturity April 28, 2025 | 9.50% | 5.00 | - |
| 9.10% Unsecured Listed Commercial Paper 58 Days Date of Maturity May 8, 2025 | 9.10% | 50.00 | - |
| 9.25% Unsecured Listed Commercial Paper 90 Days Date of Maturity May 29, 2025 | 9.25% | 100.00 | - |
| 9.50% Unsecured Listed Commercial Paper 62 Days Date of Maturity May 29, 2025 | 9.50% | 5.00 | - |
| 10.00% Unsecured Listed Commercial Paper 87 Days Date of Maturity May 30, 2025 | 10.00% | 350.00 | - |
| 10.00% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 3, 2025 | 10.00% | 200.00 | - |
| 10.00% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 5, 2025 | 10.00% | 300.00 | - |
| 10.00% Unsecured Listed Commercial Paper 84 Days Date of Maturity June 9, 2025 | 10.00% | 100.00 | - |
| 8.75% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 10, 2025 | 8.75% | 5.00 | - |
| 8.75% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 10, 2025 | 8.75% | 5.00 | - |
| 9.25% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 10, 2025 | 9.25% | 25.00 | - |
| 10.00% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 10, 2025 | 10.00% | 250.00 | - |
| 10.00% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 10, 2025 | 10.00% | 250.00 | - |
| 10.00% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 12, 2025 | 10.00% | 105.00 | - |
| 10.00% Unsecured Listed Commercial Paper 89 Days Date of Maturity June 16, 2025 | 10.00% | 150.00 | - |
| 9.75% Unsecured Listed Commercial Paper 89 Days Date of Maturity June 16, 2025 | 9.75% | 5.00 | - |
| 9.75% Unsecured Listed Commercial Paper 83 Days Date of Maturity June 16, 2025 | 9.75% | 5.00 | - |
| 9.95% Unsecured Listed Commercial Paper 86 Days Date of Maturity June 20, 2025 | 9.95% | 100.00 | - |
| 10.00% Unsecured Listed Commercial Paper 95 Days Date of Maturity June 23, 2025 | 10.00% | 150.00 | - |
| 10.00% Unsecured Listed Commercial Paper 95 Days Date of Maturity June 23, 2025 | 10.00% | 50.00 | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ Yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 9.99% Unsecured Listed Commercial Paper 88 Days Date of Maturity June 23, 2025 | 9.99% | 15.00 | - |
| 9.75% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 27, 2025 | 9.75% | 25.00 | - |
| 9.75% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 27, 2025 | 9.50% | 10.00 | - |
| 9.75% Unsecured Listed Commercial Paper 91 Days Date of Maturity June 27, 2025 | 9.50% | 10.00 | - |
| 9.35% Unsecured Listed Commercial Paper 184 Days Date of Maturity September 3, 2025 | 9.35% | 104.70 | - |
| 9.25% Unsecured Listed Commercial Paper 194 Days Date of Maturity September 15, 2025 | 9.25% | 25.00 | - |
| 9.20% Unsecured Listed Commercial Paper 364 Days Date of Maturity January 9, 2026 | 9.20% | 50.00 | - |
| 9.90% Unsecured Listed Commercial Paper 336 Days Date of Maturity February 27, 2026 | 9.90% | 50.00 | - |
| 8.5% Unsecured Listed Commercial Paper 364 Days Date of Maturity March 3, 2026 | 8.50% | 100.00 | - |
| 9.15% Unsecured Listed Commercial Paper 91 Days Date of Maturity May 13, 2024 | 9.15% | - | 100.00 |
| 9.18% Unsecured Listed Commercial Paper 91 Days Date of Maturity May 22, 2024 | 9.18% | - | 500.00 |
| 9.05% Unsecured Listed Commercial Paper 91 Days Date of Maturity May 31, 2024 | 9.05% | - | 250.00 |
| **TOTAL** | | **2,649.70** | **850.00** |

## NOTE 20. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

| Particulars | | | At amortized cost | |
|---|---|---|---|---|
| | | | As at March 31, 2025 | As at March 31, 2024 |
| | | **(A)** | | |
| (a) | Term loan (refer note (a)) | | | |
| | (i) | From banks and financial institution (refer note (b) to (e)) | 9,203.32 | 10,520.48 |
| | (ii) | From others | 427.58 | 1,250.94 |
| | | **Less** : Prepaid expenses | 62.36 | 82.98 |
| (b) | Other loans (refer note (a)) | | | |
| | (i) | Cash credit/ overdraft | 1,344.95 | 2,083.04 |
| | (ii) | Securitization liability | 341.33 | 110.45 |
| | | **Less** : Prepaid expenses | - | 1.56 |
| (c) | Interest accrued but not due | | 43.12 | 61.30 |
| **Total (A)** | | | **11,297.94** | **13,941.67** |
| | | **(B)** | | |
| Borrowings in India | | | 8,515.36 | 10,408.84 |
| Borrowings outside India (refer note (b) to (e)) | | | 2,782.58 | 3,532.83 |
| **Total (B)** | | | **11,297.94** | **13,941.67** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**Footnotes:**

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically/ exclusively charged.

(b) During the previous year, the Company borrowed ₹ 614.48 Crores (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favour of the security holder in accordance with the Deed of Hypothecation.

(c) During the previous year, the Company borrowed ₹ 410.25 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/ receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitised asset .

(d) During the previous year, the Company borrowed ₹ 410.11 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/ receivables both present and future and which are "standard assets" but excluding book debt/receivables pertaining to capital market exposure and securitised assets.

(e) During the previous year, the Company borrowed ₹ 416.68 Crores denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

### NOTE 20. 1 - TERMS OF REPAYMENT OF TERM LOANS

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of interest / yield | Amount (₹ in Crores) | Rate of interest / yield | Amount (₹ in Crores) |
| **(i) From banks and financial institution** | | | | |
| **Floating:*** | | **6,225.60** | | **6,868.65** |
| 3 - 5 Years | 9.15% - 10.80% | 937.73 | 9.18% - 10.30% | 1,005.50 |
| 1 - 3 Years | 8.47% - 10.80% | 3,291.13 | 8.72% - 10.40% | 3,386.30 |
| Less than 1 year | 7.86% - 10.80% | 1,996.74 | 8.72% - 10.40% | 2,476.85 |
| **Fixed:** | | **2,977.72** | | **3,651.83** |
| 3 - 5 Years | 9.70% - 9.85% | 100.00 | 9.70% - 9.85% | 250.00 |
| 1 - 3 Years | 8.45% - 9.85% | 1,932.53 | 8.45% - 9.85% | 2,688.21 |
| Less than 1 year | 8.45% - 10.22% | 945.19 | 8.00% - 9.85% | 713.62 |
| **(ii) From others** | | | | |
| **Fixed:** | | **427.58** | | **1,250.94** |
| 1 - 3 Years | - | - | 9.20% | 416.89 |
| Less than 1 year | 9.20% | 427.58 | 8.62% | 834.05 |
| **Total** | | **9,630.90** | | **11,771.42** |

* The rate of interest for the above term loans from banks is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 20. 2 - TERMS OF REPAYMENT OF OTHER LOANS

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of interest / yield | Amount (₹ in Crores) | Rate of interest / yield | Amount (₹ in Crores) |
| **(i) Cash credit/ overdraft :** | | | | |
| **Floating:** | | | | |
| Less than 1 year ** | 6.85% - 10.55% | 1,344.95 | 6.70% - 9.75% | 2,083.04 |
| **(ii) Securitization liability** | | | | |
| **Fixed:** | | | | |
| 1-3 Years | 9.57% | 341.33 | - | - |
| Less than 1 year | - | - | 8.42% | 110.45 |
| **Total** | | **1,686.28** | | **2,193.49** |

**The rate of interest for the above loans is linked to marginal cost of funds based lending rate/ fixed deposits plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

## NOTE 21. SUBORDINATED LIABILITIES

(₹ in Crores)

| Particulars | | At amortized cost | |
|---|---|---|---|
| | | As at March 31, 2025 | As at March 31, 2024 |
| | **(A)** | | |
| (i) | Non convertible debentures- unsecured* | 1,784.40 | 1,608.78 |
| | **Less:** Unamortized debenture issue expenses | 10.97 | 14.52 |
| (ii) | Interest accrued but not due | 92.79 | 109.51 |
| **Total (A)** | | **1,866.22** | **1,703.77** |
| | **(B)** | | |
| Subordinated liabilities in India | | 1,518.47 | 1,356.15 |
| Subordinated liabilities outside India | | 347.75 | 347.62 |
| **Total (B)** | | **1,866.22** | **1,703.77** |

*Includes redeemable non-convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹ 31.02 Crores (from August 07, 2024) and ₹ 15.45 Crores (from August 07,2024) {As at March 31, 2024 ₹ 50.00 Crores (from May 28, 2024), ₹ 31.02 Crores (from August 07, 2024) and ₹ 15.45 Crores (from August 07, 2024)}.

## NOTE 21. 1 - TERMS OF REPAYMENT

| Residual Maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of interest / yield | Amount (₹ in Crores) | Rate of interest / yield | Amount (₹ in Crores) |
| **Non convertible debenture (unsecured)** | | | | |
| **Fixed** | | **1,710.48** | | **1,484.86** |
| More than 5 years | 9.20% - 9.65% | 610.62 | 9.20% - 9.65% | 385.00 |
| 3- 5 Years | 9.47% - 10.50% | 973.93 | 8.70% - 10.50% | 1,073.93 |
| 1-3 Years | 8.70% | 100.00 | 10.00% | 25.93 |
| Less than 1 year | 10.00% | 25.93 | - | - |
| **Zero coupon** | | **73.92** | | **123.92** |
| 3- 5 Years | 10.03% | 68.14 | 9.35% - 10.03% | 118.14 |
| 1-3 Years | - | - | 10.50% | 5.78 |
| Less than 1 year | 10.50% | 5.78 | - | - |
| **Total** | | **1,784.40** | | **1,608.78** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 21.2 - NON CONVERTIBLE DEBENTURES - UNSECURED - INSTRUMENT WISE DETAILS

(₹ in Crores)

| Description of security | Coupon/ Yield | As at March 31,2025 | As at March 31, 2024 |
|---|---|---|---|
| 10.00% Unsecured Redeemable Non Convertible Debentures. Tranche II. Series V. Date Of Maturity 06/06/2025 | 10.00% | 25.93 | 25.93 |
| Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date Of Maturity 06/06/2025 | 10.50% | 5.78 | 5.78 |
| 8.70% Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date Of Maturity 19/11/2027 | 8.70% | 100.00 | 100.00 |
| 10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series I . Date Of Maturity 24/06/2028 | 10.00% | 274.69 | 274.69 |
| 9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series II . Date Of Maturity 24/06/2028 | 9.60% | 328.02 | 328.02 |
| Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture. Series III . Date Of Maturity 24/06/2028 | 10.03% | 68.14 | 68.14 |
| 9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date Of Maturity 28/06/2028 | 9.47% | 325.00 | 325.00 |
| 10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Date Of Maturity 07/02/2029 | 10.00% | 30.77 | 30.77 |
| 10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Date Of Maturity 07/02/2029 | 10.50% | 15.45 | 15.45 |
| 9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture Series D16 Option B.Date Of Maturity 24/03/2032 | 9.35% | 50.00 | 50.00 |
| 9.65% Unsecured Rated Listed Subordinate Tier II Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032 | 9.65% | 235.00 | 235.00 |
| 9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032 | 9.45% | 65.00 | 65.00 |
| 9.20% Unsecured Rated Listed Redeemable Subordinate Tier 2 Non Convertible Seris D24 Date Of Maturity 08/05/2033 | 9.20% | 35.00 | 35.00 |
| 9.50% Unsecured Rated Listed Redeemable Subordinated Tier 2 Non-Convertible Debenture Series D26 Date Of Maturity 16/10/2034 | 9.50% | 125.62 | - |
| 9.50% Unsecured Rated Listed Redeemable Tier II Non Convertible Debenture Series D30 Mate Of Maturity 16/10/2034 | 9.50% | 100.00 | - |
| Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL Mld-2028. Series U04. Date Of Maturity 25/08/2028 | 9.35% | - | 50.00 |
| **TOTAL** | | **1,784.40** | **1,608.78** |

## NOTE 22. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Payable on account of assignment/securitization | 300.33 | 1,260.76 |
| Temporary overdrawn bank balances | 2.96 | 0.03 |
| Payables towards NCD (refer note 22.1) | 1.23 | 1.55 |
| Unclaimed dividends (refer note 22.1) | 0.35 | 0.32 |
| Accrued salaries and benefits | 5.42 | 7.49 |
| Other payables (refer note 22.2) | 51.04 | 33.54 |
| **Total** | **361.33** | **1,303.69** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Note 22.1** During the year, ₹ 0.14 Crores (previous year ₹ 0.87 Crores) was transferred to Investor Education and Protection Fund.

**Note 22.2** Includes unspent amount for CSR expenses ₹ 10.97 Crores (previous year ₹ 1.61 Crores) (refer note no.45)

## NOTE 23. PROVISIONS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for employee benefits | 26.89 | 6.71 |
| Provision for leave encashment | 16.08 | 14.09 |
| Provision for gratuity (refer note 32.2) | 8.48 | 9.05 |
| Other provisions | 9.95 | 8.20 |
| ECL provision on sanctioned undisbursed loans | 2.04 | 1.48 |
| **Total** | **63.44** | **39.53** |

## NOTE 24. OTHER NON-FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Income received in advance | 11.78 | 8.90 |
| Advances from customers | 42.79 | 59.19 |
| Statutory remittances | 19.89 | 22.00 |
| **Total** | **74.46** | **90.09** |

## NOTE 25: EQUITY SHARE CAPITAL

**(i) Authorized, issued, subscribed and paid-up share capital**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised share capital** | | |
| 2,35,52,50,000 equity shares (previous year 2,35,52,50,000) of ₹ 2 each | 471.05 | 471.05 |
| 50,00,00,000 preference shares (previous year 50,00,00,000) of ₹ 10 each | 500.00 | 500.00 |
| **Total** | **971.05** | **971.05** |
| **Issued, subscribed and paid-up share capital** | | |
| 42,45,16,570 equity shares (previous year 38,15,48,435) of ₹ 2 each fully paid with voting rights | 84.90 | 76.31 |
| **Total** | **84.90** | **76.31** |

**(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year**

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | Amount (₹ in Crores) | No. of shares | Amount (₹ in Crores) |
| **Equity shares** | | | | |
| At the beginning of the year | 38,15,48,435 | 76.31 | 38,04,30,389 | 76.09 |
| **Add:** Shares issued during the year | 4,29,68,135 | 8.59 | 11,18,046 | 0.22 |
| **Outstanding at the end of the year** | **42,45,16,570** | **84.90** | **38,15,48,435** | **76.31** |

**(iii) Rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of ₹ 2.00/- per share. Each holder of the equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2025, equity shareholders were paid dividend of ₹ Nil per share (previous year ₹ 4.00/- per share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(iv) Details of shareholders holding more than 5% shares in the Company**

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No. of shares | % Holdings | No. of shares | % Holdings |
| **Equity shares of ₹ 2 each fully paid up** | | | | |
| FIH Mauritius Investments Limited | 6,45,52,521 | 15.20% | 5,76,41,445 | 15.11% |
| Nirmal Bhanwarlal Jain | 5,34,40,570 | 12.59% | 4,77,19,154 | 12.51% |
| Smallcap World Fund, Inc | 2,18,73,820 | 5.15% | 2,70,53,256 | 7.09% |

**(v) Details of shareholding of promoters**

| Name of the promoter | As at March 31, 2025 | | |
|---|---|---|---|
| | No. of shares | % of total shares | % Change during the year* |
| Nirmal Bhanwarlal Jain | 5,34,40,570 | 12.59% | 0.08% |
| Madhu N Jain | 1,35,22,764 | 3.19% | 0.03% |
| Venkataraman Rajamani | 1,23,01,441 | 2.90% | 0.02% |
| Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust) | 1,11,11,111 | 2.62% | 0.00% |
| Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust) | 1,00,00,000 | 2.36% | 0.00% |
| Aditi Athavankar | 2,22,222 | 0.05% | 0.00% |
| Ardent Impex Private Limited | 36,32,115 | 0.86% | 0.00% |
| Orpheus Trading Private Limited | 14,44,444 | 0.34% | 0.00% |
| **Total** | **10,56,74,667** | **24.89%** | |

* The change in percentage is due to dilution of share capital due to allotment under ESOP scheme(s) and issuance of shares through rights issue.

| Name of the promoter | As at March 31, 2024 | | |
|---|---|---|---|
| | No. of Shares | % of total shares | % Change during the year** |
| Nirmal Bhanwarlal Jain | 4,77,19,154 | 12.51% | (0.03%) |
| Madhu N Jain | 1,20,75,000 | 3.16% | (0.01%) |
| Venkataraman Rajamani | 1,09,84,432 | 2.88% | (0.01%) |
| Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust) | 1,00,00,000 | 2.62% | (0.01%) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

| Name of the promoter | As at March 31, 2024 | | |
|---|---|---|---|
| | No. of Shares | % of total shares | % Change during the year** |
| Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust) | 90,00,000 | 2.36% | (0.01%) |
| Aditi Athavankar | 2,00,000 | 0.05% | 0.00% |
| Ardent Impex Pvt Ltd | 32,68,904 | 0.86% | 0.00% |
| Orpheus Trading Pvt Ltd | 13,00,000 | 0.34% | 0.00% |
| **Total** | **9,45,47,490** | **24.78%** | |

** The change in percentage is due to dilution of share capital due to allotment under ESOP scheme(s).

(vi) During the period of five years immediately preceding the balance sheet date, the Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back.

(vii) Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount: Refer note 40 for details of shares reserved for issue under employee stock option plan of the Company.

(viii) Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ('Rights Issue") for an amount not exceeding ₹ 1,500.00 Crores, the Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 Crores to the eligible shareholders and the same was allotted on May 17, 2024.

## NOTE 25.1: OTHER EQUITY

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Share application money pending allotment** | **0.23** | **0.49** |
| **Capital reserve** | **83.89** | **83.89** |
| **Securities premium reserve** | | |
| Opening balance | 1,885.66 | 1,862.07 |
| **Add:** Share issue expenses | (4.50) | - |
| **Add:** Addition during the year | 1,273.29 | 19.20 |
| **Add/ (less):** Transfer to/ (from) reserves | 2.22 | 4.39 |
| **Closing balance** | **3,156.67** | **1,885.66** |
| **General reserve** | | |
| Opening balance | 509.99 | 510.44 |
| **Add/ (less):** Transfer to/ (from) reserves | 4.72 | (0.45) |
| **Closing balance** | **514.71** | **509.99** |
| **Special reserve pursuant to section 45 IC of Reserve Bank of India Act, 1934** | | |
| Opening balance | 1,067.49 | 950.53 |
| **Add/ (less):** Transfer to/ (from) reserves | - | 116.96 |
| **Closing balance** | **1,067.49** | **1,067.49** |
| **Capital redemption reserve** | **230.11** | **230.11** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Debenture redemption reserve** | **12.80** | **12.80** |
| **Retained earnings** | | |
| Opening balance | 1,706.12 | 1,390.89 |
| **Add/ (less):** Profit/ (loss) for the year | (409.57) | 584.78 |
| **Less:** Interim dividend | - | (152.59) |
| **Add/ (less):** Transfer to/ (from) reserves | - | (116.96) |
| **Closing balance** | **1,296.55** | **1,706.12** |
| **Stock option outstanding account** | | |
| Opening balance | 42.57 | 9.67 |
| **Add:** Addition during the year | 46.70 | 36.84 |
| **Add/ (less):** Transfer to/ (from) reserves | (6.94) | (3.94) |
| **Closing balance** | **82.33** | **42.57** |
| **Effective portion of cash flow hedges** | | |
| Opening balance | (15.70) | (10.19) |
| **Add:** Other comprehensive income/ (loss) | (1.18) | (5.51) |
| **Closing balance** | **(16.88)** | **(15.70)** |
| **Remeasurements of defined benefit** | | |
| Opening balance | (3.82) | (1.39) |
| **Add:** Other comprehensive income/ (loss) | (1.88) | (2.43) |
| **Closing balance** | **(5.70)** | **(3.82)** |
| **Total** | **6,422.20** | **5,519.60** |

## NOTE 26.1 INTEREST INCOME

(₹ in Crores)

| Particulars | FY 2024-25 | | | | FY 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | On financial assets measured at amortized cost | On financial assets classified at fair value through profit or loss | On financial assets classified at fair value through OCI | Total | On financial assets measured at amortized cost | On financial assets classified at fair value through profit or loss | On financial assets classified at fair value through OCI | Total |
| Interest on loans (refer note 8.3) | 3,078.56 | - | 601.02 | **3,679.58** | 3,756.37 | - | 482.19 | **4,238.56** |
| Interest on investments | - | 35.17 | - | **35.17** | - | 18.44 | - | **18.44** |
| Interest on deposits with banks | 63.05 | - | - | **63.05** | 80.79 | - | - | **80.79** |
| Interest on inter corporate deposit | - | - | - | **-** | 10.55 | - | - | **10.55** |
| **Total** | **3,141.61** | **35.17** | **601.02** | **3,777.80** | **3,847.71** | **18.44** | **482.19** | **4,348.34** |

## NOTE 26.2 DIVIDEND INCOME

The Company received dividend income amounting to ₹ 2.19 crore (previous year ₹ 132.02 crore). Dividend received from subsidiary companies ₹ Nil (previous year ₹ 131.96 crore).

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 27. NET GAIN/ (LOSS) ON FAIR VALUE CHANGES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| On trading portfolio | | |
| - Investments | 133.63 | (226.16) |
| - Derivatives | (6.93) | (15.13) |
| **Net gain/ (loss) on fair value changes (A)** | **126.70** | **(241.29)** |
| Fair value changes | | |
| - Realised | 155.67 | 38.61 |
| - Unrealised | (28.97) | (279.90) |
| **Net gain/ (loss) on fair value changes (B)** | **126.70** | **(241.29)** |

## NOTE 28. OTHER INCOME

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Interest on income tax refund | - | 0.79 |
| Marketing, advertisement and support service fees | 13.79 | 25.43 |
| Gain on sale of fixed assets | - | 18.15 |
| Miscellaneous income | 0.20 | 0.30 |
| **Total** | **13.99** | **44.67** |

## NOTE 29. FINANCE COST

(₹ in Crores)

| Particulars | On financial liabilities measured at amortized cost | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| Interest on debt securities* | 482.50 | 337.40 |
| Interest on borrowings other than debt securities* | 1,065.07 | 1,061.39 |
| Interest on subordinated liabilites* | 159.73 | 156.04 |
| Interest on inter corporate deposit | 20.13 | 28.61 |
| Interest expense on lease (refer note 15) | 39.09 | 31.90 |
| Other borrowing cost * | 82.20 | 86.74 |
| **Total** | **1,848.72** | **1,702.08** |

* Includes foreign currency expenditure on accrual basis amounting to ₹ 459.08 crore (previous year ₹ 401.72 crore)

## NOTE 30. NET (GAIN)/ LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI CATEGORY

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Interest strip on assignment of loans | 379.12 | 166.77 |
| **Total** | **379.12** | **166.77** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 31. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crores)

| Particulars | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | On financial assets measured at amortized cost | On financial assets classified at fair value through OCI | Total | On financial assets measured at amortized cost | On financial assets classified at fair value through OCI | Total |
| Loans (refer note 8.3) | (120.47) | (16.28) | **(136.75)** | 71.16 | 20.94 | **92.10** |
| Bad debts written off (net of recovery) | 604.34 | - | **604.34** | 279.32 | - | **279.32** |
| Other financial assets | (11.09) | - | **(11.09)** | 7.29 | - | **7.29** |
| **Total** | **472.78** | **(16.28)** | **456.50** | **357.77** | **20.94** | **378.71** |

## NOTE 32. EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Salaries (refer note 44.3) | 642.69 | 611.64 |
| Contribution to provident and other funds (refer note 32.1) | 33.52 | 34.60 |
| Leave encashment | 4.89 | 6.62 |
| Gratuity (refer note 32.2) | 5.90 | 4.38 |
| Staff welfare expenses | 26.22 | 30.63 |
| Share based payments | 46.51 | 35.42 |
| **Total** | **759.73** | **723.29** |

### 32.1 DEFINED CONTRIBUTION PLANS

The Company has recognized the following amounts as an expense and included in the employee benefit expenses

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Contribution to provident fund | 13.94 | 13.85 |
| Contribution to employee state insurance corporation | 2.23 | 3.17 |
| Contribution to labour welfare fund | 0.13 | 0.09 |
| Contribution to employee pension scheme | 16.62 | 16.92 |
| Contribution to national pension scheme | 0.60 | 0.57 |
| **Total** | **33.52** | **34.60** |

### 32.2 GRATUITY DISCLOSURE STATEMENT

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Type of benefit | Gratuity | Gratuity |
| Country | India | India |
| Reporting currency | INR | INR |
| Reporting standard | Indian Accounting Standard 19 (Ind AS 19) | Indian Accounting Standard 19 (Ind AS 19) |
| Funding status | Funded | Funded |
| Starting period | 01-Apr-24 | 01-Apr-23 |
| Date of reporting | 31-Mar-25 | 31-Mar-24 |
| Period of reporting | 12 Months | 12 Months |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Assumptions (current year)** | | |
| Expected return on plan assets | 6.85% | 7.19% |
| Rate of discounting | 6.85% | 7.19% |
| Rate of salary increase | 6.00% | 6.00% |
| Rate of employee turnover | For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a. | For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a. |
| Mortality rate during employment | Indian Assured Lives Mortality (2012-14) Ultimate | Indian Assured Lives Mortality (2012-14) Ultimate |
| Mortality rate after employment | N.A. | N.A. |

(₹ in Crores)

| Table showing change in the present value of defined benefit obligation | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Present value of benefit obligation at the beginning of the year | 26.29 | 20.49 |
| Interest cost | 1.89 | 1.52 |
| Current service cost | 5.25 | 4.27 |
| Past service cost - Incurred during the year | - | - |
| Liability transferred in/ acquisitions | 0.10 | 0.04 |
| (Liability transferred out/ divestments) | (0.04) | (0.04) |
| (Benefit paid directly by the employer) | - | - |
| (Benefit paid from the fund) | (4.11) | (3.84) |
| The effect of changes in foreign exchange rates | - | - |
| Actuarial (gains)/losses on obligations - due to change in demographic assumptions | - | - |
| Actuarial (gains)/losses on obligations - due to change in financial assumptions | 1.54 | 0.90 |
| Actuarial (gains)/losses on obligations - due to experience adjustment | 1.07 | 2.96 |
| Present value of benefit obligation at the end of the year | 32.00 | 26.29 |

(₹ in Crores)

| Table showing change in the fair value of plan assets | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Fair value of plan assets at the beginning of the year | 17.24 | 19.06 |
| Interest income | 1.24 | 1.42 |
| Contributions by the employer | 9.05 | - |
| Assets transferred in/ acquisitions | - | - |
| (Assets transferred out/ divestments) | - | - |
| (Benefit paid from the fund) | (4.11) | (3.84) |
| Return on plan assets, excluding interest income | 0.10 | 0.60 |
| Fair value of plan assets at the end of the year | 23.52 | 17.24 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Actual return on plan assets | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Interest income | 1.24 | 1.42 |
| Return on plan assets, excluding interest income | 0.10 | 0.60 |
| Actual return on plan assets | 1.34 | 2.02 |

(₹ in Crores)

| Amount recognized in the balance sheet | FY 2024-25 | FY 2023-24 |
|---|---|---|
| (Present value of benefit obligation at the end of the year) | (32.00) | (26.29) |
| Fair value of plan assets at the end of the year | 23.52 | 17.24 |
| Funded status (surplus/ (deficit)) | (8.48) | (9.05) |
| Net (liability)/asset recognized in the balance sheet | (8.48) | (9.05) |

(₹ in Crores)

| Net interest cost for current year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Present value of benefit obligation at the beginning | 26.29 | 20.49 |
| (Fair value of plan assets at the beginning) | (17.24) | (19.06) |
| Net liability/ (asset) at the beginning | 9.05 | 1.43 |
| Interest cost | 1.89 | 1.52 |
| (Interest income) | (1.24) | (1.42) |
| Net interest cost for current year | 0.65 | 0.11 |

(₹ in Crores)

| Expenses recognised in the statement of profit or loss for current year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Current service cost | 5.25 | 4.27 |
| Net interest cost | 0.65 | 0.11 |
| Past service cost - recognized | - | - |
| Expenses recognised | 5.90 | 4.38 |

(₹ in Crores)

| Expenses recognized in OCI for current year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Actuarial (gains)/ losses on obligation for the year | 2.61 | 3.85 |
| Return on plan assets, excluding interest income | (0.10) | (0.60) |
| Net expense for the year recognized in OCI | 2.51 | 3.25 |

(₹ in Crores)

| Balance sheet reconciliation | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Opening net liability | 9.05 | 1.43 |
| Expenses recognized in statement of profit or loss | 5.90 | 4.38 |
| Expenses recognized in OCI | 2.51 | 3.25 |
| Net liability/ (asset) transfer in | 0.10 | 0.04 |
| Net (liability)/ asset transfer out | (0.03) | (0.04) |
| (Benefit paid directly by the employer) | - | - |
| (Employer's contribution) | (9.05) | - |
| Net liability/ (asset) recognized in the balance sheet | 8.48 | 9.05 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Current and non-current liability | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Current liability | 8.48 | 9.05 |
| Non-current liability | - | - |
| Net liability/ (asset) recognized in the balance sheet | 8.48 | 9.05 |

(₹ in Crores)

| Category of Assets | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Government of India assets | - | - |
| State government securities | - | - |
| Special deposits scheme | - | - |
| Corporate bonds | - | - |
| Cash and cash equivalents | - | - |
| Insurance fund | 23.53 | 17.24 |
| Other | - | - |
| **Total** | **23.53** | **17.24** |

(₹ in Crores)

| Maturity analysis of the benefit payments: from the employer | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 2.54 | 3.23 |
| 2nd following year | 0.68 | 0.55 |
| 3rd following year | 1.01 | 0.62 |
| 4th following year | 0.86 | 0.92 |
| 5th following year | 1.10 | 0.80 |
| Sum of years 6 To 10 | 6.69 | 5.46 |
| Sum of years 11 and above | 95.22 | 80.38 |

(₹ in Crores)

| Other details | FY 2024-25 | FY 2023-24 |
|---|---|---|
| No of active members | 14,885 | 15,095 |
| Per month salary for active members | 26.38 | 24.65 |
| Average expected future service (in years) | 10 | 10 |
| Weighted average duration of defined benefit obligation (in years) | 16 | 21 |
| Defined benefit obligation (DBO) | 32.00 | 26.29 |
| DBO non vested employees | 9.44 | 7.80 |
| DBO vested employees | 22.56 | 18.49 |
| Expected contribution in the next year | 14.70 | 14.30 |

(₹ in Crores)

| Sensitivity analysis | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Defined benefit obligation on current assumptions | 32.00 | 26.29 |
| Delta effect of +1% change in rate of discounting | (4.39) | (3.47) |
| Delta effect of -1% change in rate of discounting | 4.96 | 3.81 |
| Delta effect of +1% change in rate of salary increase | 5.25 | 4.12 |
| Delta effect of -1% change in rate of salary increase | (4.34) | (3.40) |
| Delta effect of +1% change in rate of employee turnover | 0.28 | 0.36 |
| Delta effect of -1% change in rate of employee turnover | (0.36) | (0.45) |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from previous years.

(₹ in Crores)

| Expected expenses to be recognized in the statement of profit or loss for next year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Current service cost | 6.22 | 5.25 |
| Net interest cost | 0.58 | 0.65 |
| Expenses recognized in the statement of profit or loss | 6.80 | 5.90 |

**Notes**

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19.

Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

Value of asset is considered as fair value of plan asset for the period of reporting.

**Qualitative disclosures**

Characteristics of defined benefit plan

During the year, there were no plan amendments, curtailments and settlements.

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the following risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset liability matching risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance entity and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

## NOTE 33. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Depreciation on property, plant and equipment | 53.05 | 55.04 |
| Depreciation on right to use assets | 81.02 | 77.67 |
| Amortization on other intangible assets | 2.91 | 2.19 |
| **Total** | **136.98** | **134.90** |

## NOTE 34. OTHER EXPENSES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Advertisement and marketing expenses* | 32.48 | 136.50 |
| Direct operating expenses | 71.00 | 70.06 |
| Bank charges* | 0.52 | 0.97 |
| Communication costs | 7.22 | 7.94 |
| Electricity | 18.69 | 18.59 |
| Exchange and statutory charges* | 3.35 | 2.20 |
| Legal and professional fees* | 102.84 | 109.80 |
| Commission and sitting fees | 2.01 | 2.34 |
| Office expenses | 10.24 | 10.76 |
| Postage and courier | 2.51 | 3.51 |
| Printing and stationary | 2.02 | 3.33 |
| Rates and taxes | 0.08 | 2.77 |
| Rent | 12.59 | 10.69 |
| Repairs and maintenance | | |
| - Computer | 0.19 | 1.07 |
| - Others | 9.55 | 11.32 |
| Remuneration to auditors | | |
| - Audit fees | 0.59 | 0.62 |
| - Certification/ other services ** | 0.01 | 0.33 |
| - Out of pocket expenses | 0.11 | 0.03 |

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Software charges* | 39.29 | 33.57 |
| Travelling and conveyance* | 22.67 | 22.37 |
| Loss on sale of fixed assets | 0.06 | - |
| Corporate social responsibility expenses (refer note 45) | 15.89 | 10.91 |
| Miscellaneous expenses* | 0.43 | 1.26 |
| Insurance premium | 16.64 | 14.03 |
| Security expenses | 92.40 | 97.44 |
| **Total** | **463.38** | **572.41** |

* Includes below expenses incurred in foreign currency on accrual basis

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Advertisement and marketing expenses | 0.27 | 6.89 |
| Legal and professional fees | 2.89 | 0.12 |
| Exchange and statutory charges | 0.10 | - |
| Software charges | 1.60 | 1.61 |
| Travelling and conveyance | 0.06 | 0.05 |
| Bank charges | 0.00 | - |
| Miscellaneous expenses | (0.06) | 0.06 |

** During the year the Company has paid ₹ 1.33 Crores (previous year ₹ 0.27 Crores) to the auditors towards certification required for Public Issue of Non Convertible Debentures & Secured Global Medium Term Notes Programme and the same has been amortized over the tenure of the borrowings.

## NOTE 35. EXCEPTIONAL ITEMS

The Company had certain AIF investments that were due to mature in June 2024. In March 2024, the Company requested the AIF to do in-specie distribution of assets (i.e.: debentures of underlying SPV companies) in lieu of its investment in the AIF. Subsequently, these debentures were assigned to an ARC, and the book value of the resulting Security Receipts (SRs), based on the same underlying assets as of September 30, 2024, was ₹ 586.50 Crores. The RBI Circular dated December 19, 2023, on "Investments in Alternative Investment Funds (AIFs)" required a 100% provision of AIF investments if they were not liquidated within 30 days of the circular being applicable. To comply with the spirit of this circular, the management has decided to make a provision equivalent to 100% of the book value of these SRs, accordingly the same has been disclosed under exceptional items for year.

## NOTE 36. INCOME TAXES

(₹ in Crores)

| Amounts recognized in statement of profit or loss | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Current tax expense** | | |
| Current year | 77.39 | 188.91 |
| Changes in estimates related to prior years | - | (2.26) |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | (218.59) | (41.45) |
| **Total** | **(141.20)** | **145.20** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Amounts recognized in other comprehensive income | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Amount | Tax expense | Net of tax | Amount | Tax expense | Net of tax |
| Remeasurements of defined benefit liability/ (asset) | (2.51) | 0.63 | **(1.88)** | (3.25) | 0.82 | **(2.43)** |
| Cash flow hedge reserve | (1.58) | 0.40 | **(1.18)** | (7.36) | 1.85 | **(5.51)** |
| | **(4.09)** | **1.03** | **(3.06)** | **(10.61)** | **2.67** | **(7.94)** |

(₹ in Crores)

| Reconciliation of income tax expense of the year to accounting year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Profit before tax** | **(550.77)** | **729.98** |
| **Tax using the Company's domestic tax rate (25.17%)** | (138.62) | 183.72 |
| Tax effect of: | | |
| Non-deductible expenses | 4.01 | 2.86 |
| Tax-exempt income- Others (includes deduction under section 80JJAA) | (5.57) | (5.81) |
| Tax exempt income - dividend | (0.55) | (33.23) |
| Income taxed at different rates | (3.44) | (0.30) |
| Adjustments for current tax for prior periods | - | (2.26) |
| De-recognition of previously recognized deductible temporary differences | 2.97 | 0.22 |
| **Total income tax expense** | **(141.20)** | **145.20** |
| **Effective tax rate** | **25.64%** | **19.89%** |

## NOTE 37. EARNINGS PER SHARE

Basic and diluted Earnings per share ("EPS") computed in accordance with Ind AS 33 "Earnings per share"

| Particulars | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Face value of equity shares (in ₹) fully paid up | | 2.00 | 2.00 |
| **Basic** | | | |
| Profit after tax as per statement of Profit and Loss (₹ in Crores) for calculating basic EPS | | (409.57) | 584.78 |
| Profit after tax attributable to equity share holders (₹ in Crores) | A | (409.57) | 584.78 |
| Weighted average number of equity shares outstanding | B | 41,77,86,475 | 38,10,07,838 |
| **Basic EPS (in ₹)** | **A/B** | **(9.80)** | **15.35** |
| **Diluted** | | | |
| Profit after tax attributable to equity share holders (₹ in Crores) for calculating diluted EPS | C | (409.57) | 584.78 |
| Weighted average number of equity shares for computation of basic EPS | | 41,77,86,475 | 38,10,07,838 |
| Add: Potential equity shares on account conversion of Employees Stock Options | | 1,59,45,282 | 48,24,533 |
| Weighted average number of equity shares for computation of diluted EPS | D | 43,37,31,756 | 38,58,32,371 |
| **Diluted EPS (in ₹)*** | **C/D** | **(9.80)** | **15.16** |

* Due to anti-dilutive effect, basic and diluted EPS are same for the year ended March 31, 2025.

## NOTE 38. RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to Company's strategy. The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Company operates under the guidance of the Board approved risk appetite statement that covers business composition, guidance around gross stage 3 assets and net stage 3 assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Company's growth and performance.

**Risk Management Structure**

The Company has established multi-level risk governance for monitoring and control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (""RMC"") which is responsible for monitoring the overall risk process within the Company. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer (""CRO"") who reports to the Managing Director and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The Company has a well defined risk framework constituting various lines of defence – the first line of defence, consisting of Business Functions who own and manage risk. They ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Company has well-defined internal control measures in every process.

Independent risk and policy team, Compliance and other control functions constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk).

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

**Risk Management Practices**

The Company has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Company.

It has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Company to standardise credit underwriting and improve sourcing quality in the long run.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to RMC at periodic intervals.

In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Company's central Treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering

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specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

## NOTE: 38A.1. CREDIT RISK

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk arises primarily from financial assets such as loans, trade receivables, investments, derivative financial instruments, and other receivables.

**Credit Quality Analysis**

The following tables sets out information about the credit quality of financial assets measured at amortized cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Financial assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Financial assets where loss allowance measured using simplified approach/ cost | Total |
| Cash and cash equivalents | - | - | - | 528.23 | **528.23** |
| Bank balance other than above | - | - | - | 832.38 | **832.38** |
| Receivables | | | | | |
| (i) Trade receivables | - | - | - | 49.53 | **49.53** |
| (ii) Other receivables | - | - | - | - | **-** |
| Loans* | 16,620.09 | 574.02 | 423.69 | - | **17,617.80** |
| Investments** | - | - | - | 2,159.89 | **2,159.89** |
| Other financial assets | - | - | - | 381.79 | **381.79** |

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.
** Investments in subsidiaries carried at cost.

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Financial Assets where loss allowance measured using simplified approach/ cost | Total |
| Cash and cash equivalents | - | - | - | 863.92 | **863.92** |
| Bank balance other than above | - | - | - | 966.58 | **966.58** |
| Receivables | | | | | |
| (i) Trade receivables | - | - | - | 42.27 | **42.27** |
| (ii) Other receivables | - | - | - | 29.65 | **29.65** |

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Financial Assets where loss allowance measured using simplified approach/ cost | Total |
| Loans* | 15,930.36 | 1,297.91 | 653.24 | - | **17,881.50** |
| Investments** | - | - | - | 2,107.81 | **2,107.81** |
| Other financial assets | - | - | - | 772.58 | **772.58** |

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.
** Investments in subsidiaries carried at cost.

**Financial assets measured using simplified approach**

The Company follows 'simplified approach' for recognition of impairment loss allowance on cash and cash equivalents, bank balances, trade receivables, other receivables and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

### 38A.2. COLLATERAL HELD

The Company holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, company personal guarantees, physical gold, undertaking to create security.

### 38A.3. LOSS ALLOWANCE AND EXPOSURE AT DEFAULT

The following table shows movement of the loss allowance on loans and advances:

(₹ in Crores)

| Reconciliation of loss allowance | Financial assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total * | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening ECL Mar-24** | **188.02** | **23.96** | **32.83** | **11.30** | **320.24** | **-** | **541.09** | **35.26** |
| New loans disbursed during the year | 77.76 | 14.38 | 10.72 | 0.98 | 48.81 | - | **137.29** | **15.36** |
| Loans closed/ written off during the year | (104.63) | (20.35) | (27.15) | (10.26) | (299.73) | - | **(431.51)** | **(30.61)** |
| Movement in provision without change in asset staging | (28.67) | (0.83) | (0.48) | (0.06) | (7.26) | - | **(36.41)** | **(0.89)** |
| Movement in provision due to change in asset staging | (19.23) | (0.76) | 19.99 | 2.27 | 207.75 | - | **208.51** | **1.51** |
| **Closing ECL Mar-25** | **113.25** | **16.40** | **35.91** | **4.23** | **269.81** | **-** | **418.97** | **20.63** |

* As at date, the Company has a management overlay of ₹ 2.38 Crores (previous year ₹ 108.80 Crores) included in total ECL provision.

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| Reconciliation of loss allowance | Financial assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening ECL Mar-23** | **331.14** | **43.02** | **16.30** | **2.15** | **91.64** | **-** | **439.08** | **45.17** |
| New loans disbursed during the year | 139.45 | 18.34 | 16.93 | 7.62 | 163.15 | - | **319.53** | **25.96** |
| Loans closed/ written off during the year | (212.89) | (37.76) | (9.49) | (1.77) | (73.21) | - | **(295.59)** | **(39.53)** |
| Movement in provision without change in asset staging | (51.76) | 1.54 | (1.23) | 0.12 | 1.53 | - | **(51.46)** | **1.66** |
| Movement in provision due to change in asset staging | (17.92) | (1.18) | 10.32 | 3.18 | 137.13 | - | **129.53** | **2.00** |
| **Closing ECL Mar-24** | **188.02** | **23.96** | **32.83** | **11.30** | **320.24** | **-** | **541.09** | **35.26** |

**The following table shows movement of the exposure at default ("EAD")**

(₹ in Crores)

| Reconciliation of exposure at default | Financial assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening EAD Mar-2024** | **16,049.15** | **960.84** | **1,140.00** | **157.90** | **653.22** | **-** | **17,842.37** | **1,118.74** |
| New loans disbursed during the year | 18,524.41 | 386.58 | 206.21 | 7.10 | 69.66 | - | **18,800.28** | **393.68** |
| Loans closed/ written off during the year | (9,887.85) | (838.36) | (1,044.45) | (149.38) | (619.84) | - | **(11,552.14)** | **(987.74)** |
| Movement in EAD without change in asset staging | (2,269.88) | (33.87) | (5.30) | (0.10) | (11.36) | - | **(2,286.54)** | **(33.97)** |
| Movement in EAD due to change in asset staging | (839.68) | (13.71) | 249.99 | 12.06 | 331.99 | - | **(257.70)** | **(1.65)** |
| **Closing EAD Mar-2025** | **21,576.15** | **461.48** | **546.45** | **27.58** | **423.67** | **-** | **22,546.27** | **489.06** |

(₹ in Crores)

| Reconciliation of exposure at default | Financial assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening EAD Mar-2023** | **13,174.92** | **515.00** | **691.64** | **36.48** | **181.32** | **-** | **14,047.88** | **551.48** |
| New loans disbursed during the year | 12,828.57 | 728.86 | 707.82 | 113.73 | 369.66 | - | **13,906.05** | **842.59** |
| Loans closed/ written off during the year | (7,327.69) | (333.64) | (534.00) | (31.80) | (144.58) | - | **(8,006.27)** | **(365.44)** |

| Reconciliation of exposure at default | Financial assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| Movement in EAD without change in asset staging | (1,725.12) | 72.77 | (20.30) | 1.15 | (0.72) | - | **(1,746.14)** | **73.92** |
| Movement in EAD due to change in asset staging | (901.53) | (22.15) | 294.84 | 38.34 | 247.54 | - | **(359.15)** | **16.19** |
| **Closing EAD Mar-2024** | **16,049.15** | **960.84** | **1,140.00** | **157.90** | **653.22** | **-** | **17,842.37** | **1,118.74** |

### 38A.4. WRITE OFF

Contractual amount outstanding on financial assets that were written off (net of recovery) during the reporting period is ₹604.34 Crores (previous year ₹ 279.32 Crores)

### 38A.5. MODIFIED FINANCIAL INSTRUMENTS

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Company has disclosed carrying amount of modification gain/ loss based on discounted cash flow basis in the below table:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Gross carrying amount of modification (gain)/ loss as on date for the modified financial assets | 2.25 | 3.77 |

### 38A.6. CREDIT RISK GRADING OF LOANS

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

The Company ensures effective monitoring of credit facilities through a portfolio quality review framework. As per this process, an asset is reviewed at a frequency determined based on the risk it carries at the review date. For effective risk management, the Company monitors its portfolio, based on product, underlying security and credit risk characteristics.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. An independent risk and policy team reviews adherence to policies and processes on a periodic basis.

Additionally, the Company evaluates risk based on staging as defined in Ind AS, details of which are mentioned below:

**Credit grading details**

(₹ in Crores)

| Period | Stage 1 | Stage 2 | Stage 3 | Total EAD |
|---|---|---|---|---|
| March 31, 2025 | 22,037.63 | 574.03 | 423.67 | **23,035.33** |
| March 31, 2024 | 17,009.99 | 1,297.90 | 653.22 | **18,961.11** |

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## 38A.7. CONCENTRATION OF CREDIT RISK

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Company does not have concentration risk.

## 38B LIQUIDITY RISK

Liquidity risk refers to the risk that the Company may not be able to meet its short-term financial obligations. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Company has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Company seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

**(i) Maturities of financial liabilities**

(₹ in Crores)

| Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2025 | Total | Upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| Derivative financial instruments | **94.67** | 2.41 | 74.11 | - | 18.15 | - | - |
| Trade payables | **93.30** | 93.30 | - | - | - | - | - |
| Other payables | **34.28** | 34.28 | - | - | - | - | - |
| Finance lease obligation* | **489.05** | 30.74 | 30.36 | 52.17 | 150.32 | 104.35 | 121.11 |
| Debt securities | **11,360.00** | 2,371.32 | 187.85 | 1,736.86 | 2,031.70 | 4,289.77 | 742.50 |
| Borrowings (other than debt securities) | **11,297.94** | 891.07 | 761.13 | 2,403.63 | 6,257.14 | 984.97 | - |
| Subordinated liabilities | **1,866.22** | 65.52 | 15.47 | 12.16 | 100.00 | 1,074.04 | 599.03 |
| Other financial liabilities | **361.33** | 335.94 | 16.39 | - | 9.00 | - | - |
| Financial guarantee contracts | **260.33** | 260.33 | - | - | - | - | - |
| **Total** | **25,857.12** | **4,084.91** | **1,085.31** | **4,204.82** | **8,566.31** | **6,453.13** | **1,462.64** |

* The amount represent undiscounted cash flows

(₹ in Crores)

| Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2024 | Total | Upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| Derivative financial instruments | **30.92** | 3.56 | - | - | 27.36 | - | - |
| Trade payables | **140.33** | 140.33 | - | - | - | - | - |
| Other payables | **-** | - | - | - | - | - | - |
| Finance lease obligation* | **502.51** | 28.38 | 26.98 | 50.13 | 162.55 | 103.49 | 130.98 |
| Debt securities | **4,340.46** | 1,008.81 | 283.43 | 276.03 | 1,063.18 | 704.02 | 1,004.99 |
| Borrowings (other than debt securities) | **13,941.67** | 836.50 | 1,559.98 | 2,373.65 | 7,845.15 | 1,326.39 | - |
| Subordinated liabilities | **1,703.77** | 79.61 | 15.53 | 5.71 | 35.05 | 1,197.39 | 370.48 |
| Other financial liabilities | **1,303.69** | 1,284.50 | 9.07 | - | 10.12 | - | - |
| Financial guarantee contracts | **410.32** | 410.32 | - | - | - | - | - |
| **Total** | **22,373.67** | **3,792.01** | **1,894.99** | **2,705.52** | **9,143.41** | **3,331.29** | **1,506.45** |

* The amount represent undiscounted cash flows

Note: Borrowings includes cash credit facilities which has been shown in ""over 6 months to 1 year"" and ""over 1 year to 3 years" in the ratio of 40% and 60% respectively.

**(ii) Change in liabilities arising from financing activities as per IND AS 7 "statement of casflow":**

(₹ in Crores)

| Particulars | As at March 31, 2024 | Cash flows | Others* | As at March 31, 2025 |
|---|---|---|---|---|
| Debt securities (Including subordinated libilities) | **6,044.23** | 7,147.26 | 34.73 | **13,226.22** |
| Borrowings (other than debt securities) | **13,941.67** | (2,654.68) | 10.95 | **11,297.94** |
| **Total liabilities from financial activities** | **19,985.90** | **4,492.58** | **45.68** | **24,524.16** |

(₹ in Crores)

| Particulars | As at March 31, 2023 | Cash flows | Others* | As at March 31, 2024 |
|---|---|---|---|---|
| Debt securities (Including subordinated libilities) | **6,853.60** | (477.85) | (331.52) | **6,044.23** |
| Borrowings (other than debt securities) | **10,444.91** | 3,466.06 | 30.70 | **13,941.67** |
| **Total liabilities from financial activities** | **17,298.51** | **2,988.21** | **(300.82)** | **19,985.90** |

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, and exchange differences

**(iii) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Floating rate** | | |
| - Expiring within one year (bank overdraft and other facilities) | 464.86 | 354.86 |
| - Expiring beyond one year (bank loans) | - | - |

## 38C MARKET RISK

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument.

## 38C.1 INTEREST RATE RISK

The exposure of the Company's borrowing and loans to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Floating rate borrowings | 7,570.55 | 8,951.69 |
| Fixed rate borrowings | 16,823.95 | 10,846.05 |
| **Total borrowings** | **24,394.50** | **19,797.74** |

The Company had the following floating rate borrowings and cross currency interest rate swap contracts outstanding:

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Weighted average interest rate (%) | Balance | % of total borrowings | Weighted average interest rate (%) | Balance | % of total borrowings |
| Bank overdrafts, bank loans | 9.73% | 7,570.55 | 31.03% | 9.43% | 8,951.69 | 45.22% |
| **Net exposure to cash flow interest rate risk** | | **7,570.55** | | | **8,951.69** | |

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**Sensitivity**

(i) Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates (assuming other variables constant)

(₹ in Crores)

| Particulars | Impact on profit after tax | | Impact on other components of equity | |
|---|---|---|---|---|
| | March 31,2025 | March 31, 2024 | March 31, 2025 | March 31,2024 |
| Interest rates – increase by 50 basis points | (28.33) | (33.49) | - | - |
| Interest rates – decrease by 50 basis points | 28.33 | 33.49 | - | - |

(ii) The Company does not have any outstanding variable rate loans given and hence there is no impact on Profit & loss account due to any such change.

## 38C.2. EXPOSURE TO CURRENCY RISKS

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings taken from Financial Institutions, External Commercial Borrowings (ECB) and foreign bond markets.

(i) The Company has hedged its foreign currency exposure through Forwards/ Future and / or Cross Currency Interest Rate Swaps in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Company's profitability. However for the unhedged foreign currency exposure(s) there would be an impact on Company's profitability.

**As at March 31, 2025**

(₹ in Crores)

| Particulars | USD | EUR | CHF | JPY | SGD | Other currencies |
|---|---|---|---|---|---|---|
| Foreign currency assets | 50.25 | - | - | - | - | - |
| Foreign currency liabilities | 83.43 | - | - | 11.24 | - | - |
| **Net assets/ (liabilities)** | **(33.18)** | **-** | **-** | **(11.24)** | **-** | **-** |

**As at March 31, 2024**

(₹ in Crores)

| Particulars | USD | EUR | CHF | JPY | SGD | Other currencies |
|---|---|---|---|---|---|---|
| Foreign currency assets | 157.69 | - | - | - | - | - |
| Foreign currency liabilities | 10.93 | - | - | 19.99 | - | - |
| **Net assets/ (liabilities)** | **146.76** | **-** | **-** | **(19.99)** | **-** | **-** |

**(ii) Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

(₹ in Crores)

| Particulars | Impact on profit after tax | | Impact on other components of equity | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| **FCY sensitivity*** | | | | |
| Increase by 5% | (151.79) | (15.41) | (119.22) | (143.79) |
| Decrease by 5% | 151.79 | 15.41 | 119.22 | 143.79 |

* Holding all other variables constant,the sensitivity on profit and loss is due to the timing & cahflow differences between the hedged financial instrument and hedging financial instrument. On the date of maturity of the forward exchange contract & foreign currency borrowings, the sensitivity of profit and loss to changes in the exchange rates will be nil, hence for these contracts - impact is presented under other comprehensive income.

## 38C.3. PRICE RISK

**(i) Exposure**

The Company's exposure to assets having price risk is as under (net)

(₹ in Crores)

| Particulars | Equity shares (other than subsidiary) | Preference share | Mutual funds/ alternate investment funds/ others | Bonds/ government securities | Security receipts | Total |
|---|---|---|---|---|---|---|
| Market value as on March 31, 2025 | 192.11 | - | 17.24 | 150.80 | 2,937.53 | **3,297.68** |
| Market value as on March 31, 2024 | 24.13 | 40.16 | 13.68 | 59.77 | 2,911.03 | **3,048.77** |

To manage its price risk arising from investments in equity shares/ other assets, the Company diversifies its portfolio.

**(ii) Sensitivity**

The table below summarises the impact of increases/ decreases of the index on the Company's equity/ other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased/ decreased by 5% with all other variables held constant.

(₹ in Crores)

| Particulars | Impact on profit after tax | | Impact on other components of equity | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| Increase by 5% | 123.39 | 114.07 | - | - |
| Decrease by 5% | (123.39) | (114.07) | - | - |

## 38D.CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company monitors capital using capital adequacy ratio as prescribed by the Reserve Bank Of India {Refer note 41 (xii)} and on the basis of following gearing ratio:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total debt | 24,524.16 | 19,985.90 |
| Total equity | 6,507.10 | 5,595.91 |
| **Debt to equity ratio / gearing ratio** | **3.77** | **3.57** |

## 38E. FAIR VALUE OF FINANCIAL INSTRUMENTS

**Financial instruments by category**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost/ cost |
| **Financial assets** | | | |
| Cash and cash equivalents | - | - | 528.23 |
| Bank balance other than above | - | - | 832.38 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost/ cost |
| Derivative financial instruments | - | 50.25 | - |
| Receivables | | | |
| (i) Trade receivables | - | - | 49.37 |
| (ii) Other receivables | - | - | - |
| Loans | - | 5,374.46 | 17,492.53 |
| Investments | 3,297.68 | - | 2,159.89 |
| Other financial assets | - | - | 364.62 |
| **Total financial assets** | **3,297.68** | **5,424.71** | **21,427.02** |
| **Financial liabilities** | | | |
| Derivative financial instruments | 79.10 | 15.57 | - |
| Trade payables | - | - | 93.30 |
| Other payables | - | - | 34.28 |
| Finance lease obligation | - | - | 351.27 |
| Debt securities | - | - | 11,360.00 |
| Borrowings (other than debt securities) | - | - | 11,297.94 |
| Subordinated liabilities | - | - | 1,866.22 |
| Other financial liabilities | - | - | 361.33 |
| **Total financial liabilities** | **79.10** | **15.57** | **25,364.34** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortized cost/ cost |
| **Financial assets** | | | |
| Cash and cash equivalents | - | - | 863.92 |
| Bank balance other than above | - | - | 966.58 |
| Derivative financial instruments | - | 157.69 | - |
| Receivables | | | |
| (i) Trade receivables | - | - | 42.27 |
| (ii) Other receivables | - | - | 29.65 |
| Loans | - | 709.58 | 17,717.26 |
| Investments | 3,048.77 | - | 2,107.81 |
| Other financial assets | - | - | 742.32 |
| **Total financial assets** | **3,048.77** | **867.27** | **22,469.81** |
| **Financial liabilities** | | | |
| Derivative financial instruments | 19.99 | 10.93 | - |
| Trade payables | - | - | 140.33 |
| Other payables | - | - | - |
| Finance lease obligation | - | - | 382.13 |
| Debt securities | - | - | 4,340.46 |
| Borrowings (other than debt securities) | - | - | 13,941.67 |
| Subordinated liabilities | - | - | 1,703.77 |
| Other financial liabilities | - | - | 1,303.69 |
| **Total financial liabilities** | **19.99** | **10.93** | **21,812.05** |

### 38E.1. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE – FAIR VALUE HIERARCHY

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

### 38E.2. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

- Quoted equity/ debt instruments are measured based on the closing price in the recognised stock exchange and are classified as level 1.
- Quoted mutual funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.
- Government Securities are valued based on the closing price in the recognized stock exchange and are classified as level 1.
- Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/ designated agencies viz: CRISIL and ICRA and are classified as level 2.
- Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (strike) and forward exchange rates at the testing date and are classified as Level 2.
- Alternate investment funds and unquoted mutual funds are measured based on the latest NAV provided by the fund house and are classified as level 3.
- Equity instruments in non-listed entities are initially recognized at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.
- Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.
- Security Receipts (SR) are measured as Level 3 basis rating given by independent rating agencies to the asset reconstruction companies (ARC) on the NAV declared by the ARC of these security receipts or based on a fair value report of a registered valuer registered under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

(₹ in Crores)

| **Financial assets and liabilities measured at fair value - recurring fair value measurements** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Carrying value** |
|---|---|---|---|---|---|
| **As at March 31, 2025** | | | | | |
| **Financial assets** | | | | | |
| Forward rate agreements and interest rate swaps | - | 50.25 | - | 50.25 | **50.25** |
| Loans - classified under FVTOCI | - | - | 5,374.46 | 5,374.46 | **5,374.46** |
| Investments | **197.20** | **145.71** | **2,954.77** | **3,297.68** | **3,297.68** |
| (i) Mutual funds/ Alternate investment fund / Others | 0.00 | - | 17.24 | 17.24 | **17.24** |
| (ii) Security receipts (Net) | - | - | 2,937.53 | 2,937.53 | **2,937.53** |
| (iii) Debt securities | - | 145.71 | - | 145.71 | **145.71** |
| (iv) Govt. Securities | 5.09 | - | - | 5.09 | **5.09** |
| (v) Preference shares | - | - | - | - | **-** |
| (vi) Equity shares (other than subsidiaries) | 192.11 | - | - | 192.11 | **192.11** |
| **Total financial assets** | **197.20** | **195.96** | **8,329.23** | **8,722.39** | **8,722.39** |
| **Financial liabilities** | | | | | |
| Forward rate agreements and interest rate swaps | - | 94.67 | - | 94.67 | **94.67** |
| **Total financial liabilities** | **-** | **94.67** | **-** | **94.67** | **94.67** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(₹ in Crores)

| Financial assets and liabilities measured at fair value - recurring fair value measurements<br>As at March 31, 2024 | Level 1 | Level 2 | Level 3 | Total | Carrying value |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Forward rate agreements and interest rate swaps | - | 157.69 | - | **157.69** | **157.69** |
| Loans - classified under FVTOCI | - | - | 709.58 | **709.58** | **709.58** |
| Investments | **29.18** | **94.88** | **2,924.71** | **3,048.77** | **3,048.77** |
| (i) Mutual funds/ Alternate investment fund / Others | 0.00 | - | 13.68 | **13.68** | **13.68** |
| (ii) Security receipts (Net) | - | - | 2,911.03 | **2,911.03** | **2,911.03** |
| (iii) Debt securities | - | 54.72 | - | **54.72** | **54.72** |
| (iv) Govt. Securities | 5.05 | - | - | **5.05** | **5.05** |
| (v) Preference shares | - | 40.16 | - | **40.16** | **40.16** |
| (vi) Equity shares (other than subsidiaries) | 24.13 | - | - | **24.13** | **24.13** |
| **Total financial assets** | **29.18** | **252.57** | **3,634.29** | **3,916.04** | **3,916.04** |
| **Financial liabilities** | | | | | |
| Forward rate agreements and interest rate swaps | - | 30.92 | - | **30.92** | **30.92** |
| **Total financial liabilities** | **-** | **30.92** | **-** | **30.92** | **30.92** |

## 38E.3. VALUATION METHODOLOGIES OF FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only.

**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents, other financial assets and trade payables, other payables and other financial liabilities.

**Loans, debts, borrowings and subordinated debts**

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity or original maturity less than one year, the carrying value has been considered as fair value. Fair values of Loans and advances are presented net of provisions for impairment.

(₹ in Crores)

| Assets and liabilities which are measured at amortized cost for which fair values are disclosed<br>As at March 31, 2025 | Total fair value | Carrying value | Valuation hierarchy |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 528.23 | 528.23 | - |
| Bank balance other than included above | 832.38 | 832.38 | - |
| Receivables | | | |
| (i) Trade receivables | 49.37 | 49.37 | - |
| (ii) Other receivables | - | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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| Assets and liabilities which are measured at amortized cost for which fair values are disclosed | Total fair value | Carrying value | Valuation hierarchy |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| Loans | 17,437.49 | 17,492.53 | Level 3 |
| Investment in subsidiary* | 2,159.89 | 2,159.89 | - |
| Other financial assets | 364.62 | 364.62 | - |
| **Total financial assets** | **21,371.98** | **21,427.02** | |
| **Financial liabilities** | | | |
| Trade payables | 93.30 | 93.30 | - |
| Other payables | 34.28 | 34.28 | - |
| Debt securities** | 11,342.29 | 11,360.00 | Level 3 |
| Borrowings (other than debt securities) | 11,297.94 | 11,297.94 | Level 3 |
| Subordinated liabilities | 1,952.72 | 1,866.22 | Level 3 |
| Other financial liabilities | 361.33 | 361.33 | - |
| **Total financial liabilities** | **25,081.86** | **25,013.07** | |

* Investments in subsidiaries are carried at amortized cost and hence fair value is not disclosed.

** For secured medium term notes book value has been considered as fair value.

(₹ in Crores)

| Assets and liabilities which are measured at amortized cost for which fair values are disclosed | Total fair value | Carrying value | Valuation hierarchy |
|---|---|---|---|
| **As at March 31, 2024** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 863.92 | 863.92 | - |
| Bank balance other than included above | 966.58 | 966.58 | - |
| Receivables | | | |
| (i) Trade receivables | 42.27 | 42.27 | - |
| (ii) Other receivables | 29.65 | 29.65 | - |
| Loans | 17,806.87 | 17,717.26 | Level 3 |
| Investment in subsidiary* | 2,107.81 | 2,107.81 | - |
| Other financial assets | 742.32 | 742.32 | - |
| **Total financial assets** | **22,559.42** | **22,469.81** | |
| **Financial liabilities** | | | |
| Trade payables | 140.33 | 140.33 | - |
| Other payables | - | - | - |
| Debt securities | 4,248.80 | 4,340.46 | Level 3 |
| Borrowings (other than debt securities) | 13,941.67 | 13,941.67 | Level 3 |
| Subordinated liabilities | 1,724.06 | 1,703.77 | Level 3 |
| Other financial liabilities | 1,303.69 | 1,303.69 | - |
| **Total financial liabilities** | **21,358.55** | **21,429.92** | |

* Investments in subsidiaries are carried at amortized cost and hence fair value is not disclosed

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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## 38.E.4 MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE :

The following tables shows the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

| Particulars | Loans - classified under FVOCI | Alternate investment fund | Security receipts |
|---|---|---|---|
| **Balances as at April 1, 2024** | **723.78** | **20.77** | **2,911.03** |
| Issuances | 7,529.40 | 3.05 | 661.06 |
| Sale/ redemption of financial instrument classified as level 3 at the beginning of the financial year | (2,831.97) | (0.01) | (29.89) |
| Total gain/ (loss) recognized in profit and loss | (16.28) | 1.19 | (18.17) |
| **Balances as at March 31, 2025** | **5,404.93** | **25.00** | **3,524.03** |
| Carrying amount of Impairment loss related to balances held at the end of financial year | 30.47 | 7.76 | 586.50 |
| Unrealized gain/ (loss) related to balances held at the end of financial year | - | (0.57) | - |

(₹ in Crores)

| Particulars | Loans - Classified under FVOCI | Alternate Investment fund | Security Receipts |
|---|---|---|---|
| **Balances as at April 1, 2023** | **4,129.91** | **971.24** | **719.33** |
| Issuances | 5,602.24 | 31.74 | 2,019.10 |
| Sale/Redemption of financial instrument classified as level 3 at the beginning of the financial year | (9,029.31) | (839.94) | (41.38) |
| Total gain/ (loss) recognized in profit and loss | 20.94 | (142.27) | 213.98 |
| **Balances as at March 31, 2024** | **723.78** | **20.77** | **2,911.03** |
| Carrying amount of Impairment loss related to balances held at the end of financial year | 14.20 | 7.09 | - |
| Unrealized gain/ losses related to balances held at the end of financial year | - | (1.15) | - |

## 38F. TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNIZED IN THEIR ENTIRETY

During the year, the Company sold loans measured at FVTOCI through assignment deals. The Company derecognized the assets as per IND AS 109 as all the risks and rewards relating to assets were transferred to the buyer. The table below summarises the carrying amount of the derecognized financial assets measured at FVTOCI and the gain/ (loss) on derecognition, per type of asset.

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Financial assets derecognized during the year | 2,831.97 | 9,029.31 |
| Net gain/ (loss) on derecognition of financial instruments under FVTOCI category | (379.12) | (166.77) |

## 38G. TRANSFERRED FINANCIAL ASSETS THAT ARE RECOGNIZED IN THEIR ENTIRETY:

The Company uses securitization as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitized assets since the Company retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognized in their entirety and associated liabilities.

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Carrying amount of transferred assets measured at amortized cost | 369.71 | 135.45 |
| Carrying amount of associated liabilities | 341.33 | 110.45 |
| Fair value of assets | 369.71 | 135.45 |
| Fair value of associated liabilities | 341.33 | 110.45 |
| **Net position at Fair value** | **28.38** | **25.00** |

## NOTE 39. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

**Contingent liabilities:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Claim against the Company not acknowledged as debt:** | | |
| In respect of Income tax demands (refer note (a) and (b)) | 352.45 | 68.95 |
| In respect of GST/ service tax demands (including interest accrued and refer note (c)) | 113.97 | 69.50 |
| In respect of profession tax demands (refer note (d)) | 0.16 | 0.16 |
| In respect of stamp duty (refer note (f)) | 16.66 | 16.66 |
| In respect of legal cases | 488.58 | 15.58 |
| **Bank guarantees:** | | |
| In respect of bank guarantees given (refer note (e)) | 260.33 | 410.32 |

(a) The Company has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is ₹ 76.32 Crores (previous year ₹ 76.32 Crores).

(c) Amount paid under protest with respect to service tax demand ₹ 1.55 Crores (previous year ₹ 1.55 Crores) and with respect to GST demand ₹ 2.03 Crores (previous year ₹ 2.03 Crores).

(d) Amount paid under protest with respect to profession tax demand ₹ 0.05 Crores (previous year ₹ 0.05 Crores).

(e) Guarantees has been given on behalf of a subsidiary.

(f) The Company had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹ 75.00 Crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited) equally. The Company has appealed against the same and paid ₹ 8.34 Crores under protest towards its share of the liability and shown ₹ 16.66 Crores as Contingent.The matter is pending before the court.

(g) Apart from the above, Company is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's financial position.

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**Commitments not provided for:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Commitments related to loans sanctioned but undrawn | 28.92 | 427.84 |
| Estimated amount of contracts remaining to be executed on capital account | 14.64 | 25.06 |
| Commitments related to alternate investment funds | 19.83 | 12.88 |

## NOTE 40. EMPLOYEE STOCK OPTION

The Company has implemented Employee Stock Option Scheme 2008 (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

**a) The details of various Employee Stock Option Schemes are as under:**

| Particulars | ESOP 2008 | |
|---|---|---|
| | As at March 2025 | As at March 2024 |
| Number of option outstanding | 35,58,866 | 40,80,321 |
| Method of accounting | Fair value | Fair value |
| Vesting plan | Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options. | |
| Exercise period | Seven/ five years from the date of grant | |
| Grant date | 06- May 2021, 20- Aug 2021, 22- Dec 2021, 26- Aug 2022, 15- Oct 2022, 04- Aug 2023, 05- Jan 2024 | 06- May 2021, 20- Aug 2021, 22- Dec 2021, 26- Aug 2022, 15- Oct 2022, 04- Aug 2023, 05- Jan 2024 |
| Grant price (₹ per share) | ₹252.00, ₹252.00, ₹271.40, ₹341.65, ₹350.00, ₹10.00, ₹625.00 | ₹252.00, ₹252.00, ₹271.40, ₹341.65, ₹350.00, ₹10.00, ₹625.00 |

**(b) (i) Movement of options during the year ended March 31, 2025:**

| Particulars | Option outstanding | Range of exercise price (in ₹) | Weight average exercise price (in ₹) | Weight average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2024** | **40,80,321** | **10.00-625.00** | **130.21** | **6.07** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 4,01,435 | 10.00-625.00 | 55.68 | - |
| Exercised during the year | 1,20,020 | 252.00-350.00 | 257.95 | - |
| **Outstanding as on March 31, 2025** | **35,58,866** | **10.00-625.00** | **134.31** | **5.14** |
| **Exercisable as on March 31, 2025** | **2,52,622** | **252.00-625.00** | **337.35** | **3.91** |

**(b) (ii) Movement of options during the year ended March 31, 2024:**

| Particulars | Option outstanding | Range of exercise price (in ₹) | Weight average exercise price (in ₹) | Weight average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2023** | **9,36,947** | **82.02-350.00** | **274.97** | **5.44** |
| Granted during the year | 35,00,000 | 10.00-625.00 | 97.86 | - |
| Expired/ forfeited during the year | 2,31,402 | 10.00-341.65 | 146.95 | - |
| Exercised during the year | 1,25,224 | 218.71-341.65 | 278.16 | - |
| **Outstanding as on March 31, 2024** | **40,80,321** | **10.00-625.00** | **130.21** | **6.07** |
| **Exercisable as on March 31, 2024** | **1,10,240** | **252.00-350.00** | **263.42** | **4.39** |

**Fair value methodology:**

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars | ESOP 2008 | | | |
|---|---|---|---|---|
| | 05-Jan-24 | 04-Aug-23 | 15-Oct-22 | 26-Aug-22 |
| Stock price (₹) | 641.65 | 575.50 | 350.00 | 341.65 |
| Volatility | 10.00% | 52.22% | 10.00% | 10.00% |
| Risk-free rate | 7.00% | 7.04% | 7.37% | 7.02% |
| Exercise price (₹) | 625.00 | 10.00 | 350.00 | 341.65 |
| Time to maturity (years) | 5.00 | 4.00 | 5.00 | 5.00 |
| Dividend yield | 3.00% | 1.43% | 3.00% | 3.00% |
| Weight average value (₹) | 89.05 | 535.83 | 45.31 | 42.15 |

| Particulars | ESOP 2008 | | |
|---|---|---|---|
| | 22-Dec-21 | 20-Aug-21 | 06-May-21 |
| Stock price (₹) | 271.40 | 252.00 | 252.00 |
| Volatility | 10.00% | 10.00% | 10.00% |
| Risk-free rate | 5.81% | 5.77% | 5.66% |
| Exercise price (₹) | 271.40 | 252.00 | 252.00 |
| Time to maturity (years) | 5.00 | 5.00 | 5.00 |
| Dividend yield | 3.00% | 3.00% | 3.00% |
| Weight average value (₹) | 35.40 | 35.40 | 34.72 |

**Stock price:** The closing market price on NSE one day prior to the date of grant has been considered for the purpose of option valuation.

**Volatility:** The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

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**Exercise price:** Price of each specific grant has been considered.

**Time to maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

The Company has granted Employee Stock Options under IIFL Finance Employee Stock Option Plan 2020 – Merger Scheme pursuant to aforesaid Composite Scheme of Arrangement.

**a) The details of various Employee stock option schemes are as under:**

| Particulars | ESOP 2020 | |
|---|---|---|
| | As at March 2025 | As at March 2024 |
| Number of option outstanding | 12,01,536 | 16,71,891 |
| Method of accounting | Fair value | Fair value |
| Vesting plan | Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options. | |
| Exercise period | Seven years from the date of grant | |
| Grant date | 02- May 2018, 21- Nov 2018 and 18- Jan 2019 | 08- Feb 2017, 02- May 2018, 21- Nov 2018 and 18- Jan 2019 |
| Grant price (₹ per share) | ₹142.22, ₹177.04, ₹182.22 | ₹106.67, ₹142.22, ₹177.04, ₹182.22 |

**(b) (i) Movement of options during the year ended March 31, 2025:**

| Particulars | Option outstanding | Range of exercise price (in ₹) | Weight average exercise price (in ₹) | Weight average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2024** | **16,71,891** | **106.67- 182.22** | **152.90** | **1.25** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 16,510 | 177.04 - 182.22 | 178.62 | - |
| Exercised during the year | 4,53,845 | 106.67- 182.22 | 153.42 | - |
| **Outstanding as on March 31, 2025** | **12,01,536** | **142.22 - 182.22** | **152.35** | **0.25** |
| **Exercisable as on March 31, 2025** | **6,61,536** | **142.22 - 182.22** | **160.61** | **0.38** |

**(b) (i) Movement of options during the year ended March 31, 2024:**

| Particulars | Option outstanding | Range of exercise price (in ₹) | Weight average exercise price (in ₹) | Weight average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2023** | **27,05,444** | **106.67- 182.22** | **212.21** | **3.19** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 40,731 | 61.48-182.22 | 172.13 | - |
| Exercised during the year | 9,92,822 | 106.67- 182.22 | 163.82 | - |
| **Outstanding as on March 31, 2024** | **16,71,891** | **106.67- 182.22** | **152.90** | **1.25** |
| **Exercisable as on March 31, 2024** | **11,31,891** | **106.67- 182.22** | **157.99** | **1.33** |

**Fair value methodology:**

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars | ESOP 2020 | | | |
|---|---|---|---|---|
| | 18-Jan-19 | 18-Jan-19 | 21-Nov-18 | 02-May-18 |
| Stock price (₹) | 179.63 | 179.63 | 179.63 | 179.63 |
| Volatility | 59.00% | 59.00% | 59.00% | 59.00% |
| Risk-free rate | 7.28% - 7.49% | 7.28% - 7.49% | 7.21% - 7.40% | 7.13% - 7.40% |
| Exercise price (₹) | 182.22 | 182.22 | 177.04 | 142.22 |
| Time to maturity (years) | 5.80 | 5.55 | 5.39 | 5.09 |
| Dividend yield | 1.00% | 1.00% | 1.00% | 1.00% |
| Weight average value (₹) | 161.25 | 102.16 | 102.29 | 106.78 |

| Particulars | ESOP 2020 |
|---|---|
| | 02-May-18 |
| Stock price (₹) | 179.63 |
| Volatility | 59.00% |
| Risk-free rate | 7.13% - 7.34% |
| Exercise price (₹) | 142.22 |
| Time to maturity (years) | 4.84 |
| Dividend yield | 1.00% |
| Weight average value (₹) | 106.90 |

**Stock price:** The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Merchant Banker's Report.

**Volatility:** The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

**Exercise price:** Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**Time to maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

### NOTE 41. ADDITIONAL DISLCOURES:

**(i) Relationship with struck off Companies**

| Name of the struck off company | Balance outstanding as at March 2025 (₹ in Crores) | Balance outstanding as at March 2024 (₹ in Crores) | Relationship with the struck off company, if any, to be disclosed |
|---|---|---|---|
| **(a) Shares held by the Company:** | | | |
| Vaishak shares limited | 0.00 | 0.00 | None |
| Unicon finca private limited | 0.00 | 0.00 | None |
| Future bonds and holdings private limited | 0.00 | 0.00 | None |
| Ethopps advisory services private limited | 0.00 | 0.00 | None |
| Kothari intergroup limited | 0.00 | 0.00 | None |
| **(b) Unclaimed dividend:** | | | |
| Vaishak shares limited | - | 0.00 | None |
| Unicon finca private limited | 0.00 | 0.00 | None |
| Future bonds and holdings private limited | - | - | None |
| Ethopps advisory services private limited | - | 0.00 | None |
| Kothari intergroup limited | 0.00 | 0.00 | None |
| **(c) Loan and advances:** | | | |
| Unicorn hospitality services private limited | 0.01 | 0.01 | None |
| 9 media networks private limited | 0.24 | 0.24 | None |
| Fedify technologies private limited | 0.07 | 0.07 | None |
| Niche events and promotions private limited | 0.14 | 0.15 | None |
| Rainbow infrastructure private limited | - | 0.00 | None |
| Gopikrishna engineers and contractors private limited | 0.05 | 0.05 | None |
| CP hydro projects india private limited | 0.06 | 0.06 | None |
| Pushpa clinic private limited | 0.02 | 0.02 | None |
| Corporate rooms hospitality private limited | 0.03 | 0.03 | None |
| Multitask excel hi care (opc) private limited | 0.07 | 0.07 | None |
| Apm air travels (India) private limited | 0.04 | 0.04 | None |
| Pan club hotels private limited | 0.10 | - | None |
| Patidar EXIM private limited | 0.33 | - | None |
| GNM holidays private limited | 0.07 | - | None |
| The next automotive ERA private limited | 0.23 | - | None |
| Dialus India Solutions private limited | 0.04 | - | None |
| JPM Exports private limited | 0.37 | - | None |
| Seven oaks engineering private limited | 0.06 | 0.06 | None |

**(ii) Registration of charges or satisfaction with registrar of companies (ROC)**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

**(iii) Compliance with number of layers of companies:**

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

**(iv) Utilization of borrowed funds and share premium**

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(v) Undisclosed income**

The Company has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

**(vi) Details of crypto currency or virtual currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(vii) Disclosure of benami property**

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

**(viii) Disclosure of borrowings**

(a) The quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(b) The Company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2025.

**(ix) Wilful defaulter**

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

**(x) Title deeds of immovable properties not held in name of the Company**

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) are held in the name of the Company.

**(xi) Disclosure on loans and advances**

The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(xii)Ratios**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Capital to risk-weighted assets ratio (CRAR) | 18.48% | 18.85% |
| Tier I CRAR | 13.78% | 12.56% |
| Tier II CRAR | 4.70% | 6.29% |
| Liquidity coverage ratio for the quarter ended March 31 | 180.62% | 192.47% |

**NOTE 42:** On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, directed the Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect.

As part of their process RBI initiated a Special Audit by an Independent Professional agency & concluded the same. The Company has taken necessary measures to address the identified concerns and prevent their recurrence. Subsequent to this RBI on September 19, 2024 after a careful examination of the submissions made and the remedial actions taken by the Company, conveyed its decision to lift the said restrictions with immediate effect. The Company has since then commenced its normal business operations.

**NOTE 43:** During January 2025, the Income Tax Department conducted a search under the provisions of the Income Tax Act, 1961, at the registered office and other premises of the Company. The Company has extended full cooperation to the authorities and continues to provide all information, documents, and clarifications as requested. As of the date of these financial statements, the Company has not received any communication from the Department regarding the outcome of the search. Accordingly, the potential financial impact, if any, arising from the search proceedings cannot be ascertained at this stage.

## NOTE 44. LIST OF RELATED PARTIES

| Nature of relationship | Name of party |
|---|---|
| Direct subsidiaries | IIFL Home Finance Limited |
| | IIFL Samasta Finance Limited |
| | IIFL Open Fintech Private Limited |
| Other related parties* | IIFL Capital Services Limited (Formerly known as IIFL Securities Limited) |
| | IIHFL Sales Limited |
| | 5paisa Capital Limited |
| | 5paisa P2P Limited |
| | IIFL Commodities Limited |
| | IIFL Facilities Services Limited |
| | 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) (upto July 11, 2024) |
| | IIFL Management Services Limited |
| | Livlong Protection & Wellness Solutions Limited |
| | India Infoline Employee Trust Limited |
| | Livlong Insurance Brokers Limited |
| | Open Financial Technologies Private Limited (upto March 28, 2025) |
| | FIH Mauritius Investments Limited |
| | IIFL Capital Asset Management Limited |
| | Arcon Techsolutions Private Limited |
| | Grey Swift Private Limited (upto March 28, 2025) |
| | India Infoline Foundation |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

| Nature of relationship | Name of party |
|---|---|
| Key managerial personnel (KMP)* | Mr. Kapish Jain |
| | Mrs. Sneha Patwardhan (upto July 01,2023) |
| | Ms Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024) |
| | Ms Mauli Agarwal (w.e.f March 13, 2024) |
| | Mr. Samrat Sanyal (w.e.f 23 August 2024) |
| | |
| | **Directors:** |
| | Mr. Nirmal Jain |
| | Mr. Venkataraman Rajamani |
| | Mr. Nilesh Vikamsey (upto March 31, 2024) |
| | Mr. Vijay Kumar Chopra (upto May 20, 2024) |
| | Mr. Chandran Ratnaswami (upto May 10, 2024) |
| | Ms.Geeta Mathur (upto September 17, 2024) |
| | Mr. Ramakrishnan Subramanian |
| | Mr. Arun Kumar Purwar^ |
| | Mr. T. S. Ramakrishnan (w.e.f October 26, 2023) (Nominee Director) |
| | Mr. Bijou Kurien (w.e.f March 13, 2024) |
| | Ms.Nirma Anil Bhandari (w.e.f September 16, 2024) |
| | Mr. Gopalakrishnan Soundarajan (w.e.f May 11, 2023) |
| | Mr. Nihar Niranjan Jambusaria (w.e.f March 13, 2024) |
| Close members of KMP* | Mr. Shankar Subramanian (close member of Mr. Ramakrishnan Subramanian) |
| | Ms. Manisha Jain (close member of Mr. Kapish Jain) |
| | Ms. Anushka Jain(close member of Mr. Kapish Jain) |
| | Ms. Ishita Jain(close member of Mr. Kapish Jain) |

* The above list includes related parties with whom transactions have been carried out during the year.

^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 44.1 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **Interest income** | | | | |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (3.37) | - | (3.37) |
| 5paisa Capital Limited | - | - | - | - |
| | - | (0.94) | - | (0.94) |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (6.24) | - | - | (6.24) |
| Mr. Shankar Subramanian | - | - | 0.00 | 0.00 |
| | - | - | (0.02) | (0.02) |
| **Interest expense** | | | | |
| IIFL Home Finance Limited | 6.38 | - | - | 6.38 |
| | (21.11) | - | - | (21.11) |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (0.24) | - | (0.24) |
| IIFL Samasta Finance Limited | 13.75 | - | - | 13.75 |
| | (7.26) | - | - | (7.26) |
| **Referral fees income/ other charges income** | | | | |
| Livlong Protection & Wellness Solutions Limited | - | 67.89 | - | 67.89 |
| | - | (57.83) | - | (57.83) |
| Mr. Shankar Subramanian | - | - | 0.02 | 0.02 |
| | - | - | (0.04) | (0.04) |
| **Donation paid** | | | | |
| India Infoline Foundation | - | 15.89 | - | 15.89 |
| | - | (9.30) | - | (9.30) |
| **Referral Fees Expense/other charges** | | | | |
| 360 ONE WAM Limited | - | - | - | - |
| | - | (1.78) | - | (1.78) |
| IIFL Samasta Finance Limited | 231.79 | - | - | 231.79 |
| | (196.71) | - | - | (196.71) |
| IIFL Open Fintech Private Limited | 0.25 | - | - | 0.25 |
| | (1.01) | - | - | (1.01) |
| 5paisa Capital Limited | - | - | - | - |
| | - | (0.82) | - | (0.82) |
| Open Financial Technologies Private Limited | - | 5.91 | - | 5.91 |
| | - | - | - | - |
| **Rent expenses** | | | | |
| IIFL Facilities Services Limited | - | 5.46 | - | 5.46 |
| | - | (3.04) | - | (3.04) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **Brokerage expense** | | | | |
| IIFL Capital Services Limited | - | 0.04 | - | 0.04 |
| | - | (5.18) | - | (5.18) |
| **Short term employee benefit** | | | | |
| Mr.Nirmal Jain | - | - | 12.24 | 12.24 |
| | - | - | (11.09) | (11.09) |
| Mr.Kapish Jain | - | - | 1.86 | 1.86 |
| | - | - | (2.25) | (2.25) |
| Mrs. Sneha Patwardhan | - | - | - | - |
| | - | - | (0.15) | (0.15) |
| Ms Rupal Jain | - | - | - | - |
| | - | - | (0.14) | (0.14) |
| Ms Mauli Agarwal | - | - | 0.16 | 0.16 |
| | - | - | (0.02) | (0.02) |
| Mr. Samrat Sanyal | - | - | 0.42 | 0.42 |
| | - | - | - | - |
| **Other long term benefit** | | | | |
| Mr.Nirmal Jain | - | - | 0.02 | 0.02 |
| | - | - | (0.20) | (0.20) |
| Mr.Kapish Jain | - | - | 0.05 | 0.05 |
| | - | - | (0.05) | (0.05) |
| Mrs. Sneha Patwardhan | - | - | - | - |
| | - | - | (0.01) | (0.01) |
| Ms Rupal Jain | - | - | - | - |
| | - | - | (0.00) | (0.00) |
| Ms Mauli Agarwal | - | - | 0.00 | 0.00 |
| | - | - | (0.01) | (0.01) |
| Mr. Samrat Sanyal | - | - | 0.01 | 0.01 |
| | - | - | - | - |
| **Share based payment** | | | | |
| Mrs. Sneha Patwardhan | - | - | - | - |
| | - | - | (0.06) | (0.06) |
| Mr.Kapish Jain | - | - | 0.02 | 0.02 |
| | - | - | - | - |
| **Post employment benefits** | | | | |
| Mr.Kapish Jain | - | - | 0.08 | 0.08 |
| | - | - | (0.10) | (0.10) |
| **Sitting Fees and Commission** | | | | |
| Mr. Arun Kumar Purwar | - | - | 0.39 | 0.39 |
| | - | - | (0.49) | (0.49) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| Mr. Nilesh Vikamsey | - | - | - | - |
| | - | - | (0.48) | (0.48) |
| Mr. Ramakrishnan Subramanian | - | - | 0.32 | 0.32 |
| | - | - | (0.35) | (0.35) |
| Mr. Vijay Kumar Chopra | - | - | 0.02 | 0.02 |
| | - | - | (0.35) | (0.35) |
| Ms. Geeta Mathur | - | - | 0.10 | 0.10 |
| | - | - | (0.44) | (0.44) |
| Mr. T. S. Ramakrishnan | - | - | 0.11 | 0.11 |
| | - | - | (0.04) | (0.04) |
| Mr. Bijou Kurien | - | - | 0.30 | 0.30 |
| | - | - | (0.02) | (0.02) |
| Mr. Nihar Niranjan Jambusaria | - | - | 0.40 | 0.40 |
| | - | - | (0.02) | (0.02) |
| Ms. Nirma Anil Bhandari | - | - | 0.18 | 0.18 |
| | - | - | - | - |
| **Equity dividend received** | | | | |
| IIFL Home Finance Limited | - | - | - | - |
| | (115.32) | - | - | (115.32) |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (16.64) | - | - | (16.64) |
| **Equity dividend paid** | | | | |
| India Infoline Employee Trust Limited | - | - | - | - |
| | - | (0.03) | - | (0.03) |
| **ICD/loan taken**** | | | | |
| IIFL Home Finance Limited | 800.00 | - | - | 800.00 |
| | (1,450.00) | - | - | (1,450.00) |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (100.00) | - | (100.00) |
| IIFL Samasta Finance Limited | 735.00 | - | - | 735.00 |
| | (1,100.00) | - | - | (1,100.00) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **ICD/loan returned**** | | | | |
| IIFL Home Finance Limited | 800.00 | - | - | 800.00 |
| | (1,450.00) | - | - | (1,450.00) |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (100.00) | - | (100.00) |
| IIFL Samasta Finance Limited | 735.00 | - | - | 735.00 |
| | (1,100.00) | - | - | (1,100.00) |
| **ICD/loan given**** | | | | |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (1,075.00) | - | (1,075.00) |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (300.00) | - | - | (300.00) |
| 5paisa Capital Limited | - | - | - | - |
| | - | (150.00) | - | (150.00) |
| **ICD/loan received back**** | | | | |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (1,075.00) | - | (1,075.00) |
| 5paisa Capital Limited | - | - | - | - |
| | - | (150.00) | - | (150.00) |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (300.00) | - | - | (300.00) |
| Mr. Shankar Subramanian | - | - | 0.04 | 0.04 |
| | - | - | (0.09) | (0.09) |
| **Investment in subsidiaries** | | | | |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (200.00) | - | - | (200.00) |
| **Purchase of Investment** | | | | |
| IIFL Home Finance Limited | 109.50 | - | - | 109.50 |
| | (2.38) | - | - | (2.38) |
| FIH Mauritius Investments Limited | - | 284.40 | - | 284.40 |
| | - | - | - | - |
| Open Financial Technologies Private Limited | - | 52.08 | - | 52.08 |
| | - | - | - | - |
| **Sale of investment** | | | | |
| IIFL Home Finance Limited | - | - | - | - |
| | (63.84) | - | - | (63.84) |
| Kapish Jain | - | - | 0.87 | 0.87 |
| | - | - | - | - |
| Manisha Jain | - | - | 0.49 | 0.49 |
| | - | - | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| Anushka Jain | - | - | 0.49 | 0.49 |
| | - | - | - | - |
| Ishita Jain | - | - | 0.25 | 0.25 |
| | - | - | - | - |
| IIFL Open Fintech Private Limited | 40.23 | - | - | 40.23 |
| | - | - | - | - |
| **Allocation / reimbursement of expenses paid** | | | | |
| IIFL Capital Services Limited | - | 7.42 | - | 7.42 |
| | - | (11.04) | - | (11.04) |
| 5paisa Capital Limited | - | 0.45 | - | 0.45 |
| | - | (0.37) | - | (0.37) |
| IIFL Home Finance Limited | 1.16 | - | - | 1.16 |
| | (1.17) | - | - | (1.17) |
| IIFL Management Services Limited | - | 0.03 | - | 0.03 |
| | - | (0.14) | - | (0.14) |
| IIFL Facilities Services Limited | - | 1.72 | - | 1.72 |
| | - | (1.94) | - | (1.94) |
| **Allocation / reimbursement of expenses paid others** | | | | |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (0.00) | - | (0.00) |
| IIFL Facilities Services Limited | - | - | - | - |
| | - | (0.06) | - | (0.06) |
| IIFL Home Finance Limited | 0.11 | - | - | 0.11 |
| | (0.06) | - | - | (0.06) |
| IIFL Management Services Limited | - | 0.00 | - | 0.00 |
| | - | (0.00) | - | (0.00) |
| IIFL Open Fintech Private Limited | 0.01 | - | - | 0.01 |
| | (0.01) | - | - | (0.01) |
| Livlong Protection & Wellness Solutions Limited | - | 0.00 | - | 0.00 |
| | - | (0.00) | - | (0.00) |
| Livlong Insurance Brokers Limited | - | - | - | - |
| | - | (0.00) | - | (0.00) |
| India Infoline Commodities Limited | - | - | - | - |
| | - | (0.02) | - | (0.02) |
| IIFL Capital Asset Management Limited | - | 0.00 | - | 0.00 |
| | - | - | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **Allocation / reimbursement of expenses received** | | | | |
| IIFL Facilities Services Limited | - | 0.13 | - | 0.13 |
| | - | (0.06) | - | (0.06) |
| IIFL Management Services Limited | - | 0.05 | - | 0.05 |
| | - | (0.12) | - | (0.12) |
| IIFL Capital Services Limited | - | 2.81 | - | 2.81 |
| | - | (3.65) | - | (3.65) |
| IIFL Home Finance Limited | 5.11 | - | - | 5.11 |
| | (5.31) | - | - | (5.31) |
| IIFL Samasta Finance Limited | 0.01 | - | - | 0.01 |
| | - | - | - | - |
| 5paisa Capital Limited | - | 1.63 | - | 1.63 |
| | - | (2.05) | - | (2.05) |
| IIFL Open Fintech Private Limited | 19.48 | - | - | 19.48 |
| | (0.47) | - | - | (0.47) |
| Livlong Protection & Wellness Solutions Limited | - | 0.23 | - | 0.23 |
| | - | (0.16) | - | (0.16) |
| IIHFL Sales Limited | - | 0.01 | - | 0.01 |
| | - | (0.03) | - | (0.03) |
| **Allocation / reimbursement of expenses received others** | | | | |
| 5paisa Capital Limited | - | - | - | - |
| | - | (0.00) | - | (0.00) |
| IIFL Capital Services Limited | - | - | - | - |
| | - | (0.02) | - | (0.02) |
| IIFL Home Finance Limited | 0.30 | - | - | 0.30 |
| | (1.47) | - | - | (1.47) |
| IIFL Management Services Limited | - | 0.08 | - | 0.08 |
| | - | (0.16) | - | (0.16) |
| Livlong Insurance Brokers Limited | - | - | - | - |
| | - | (0.00) | - | (0.00) |
| India Infoline Foundation | - | 0.08 | - | 0.08 |
| | - | (0.00) | - | (0.00) |
| IIFL Open Fintech Private Limited | 0.02 | - | - | 0.02 |
| | (0.07) | - | - | (0.07) |
| IIFL Capital Asset Management Limited | - | 0.06 | - | 0.06 |
| | - | - | - | - |
| **Purchase of Fixed assets** | | | | |
| IIFL Facilities Services Limited | - | 0.00 | - | 0.00 |
| | - | (0.01) | - | (0.01) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| IIFL Management Services Limited | - | 0.01 | - | 0.01 |
| | - | (0.00) | - | (0.00) |
| IIFL Capital Services Limited | - | 0.07 | - | 0.07 |
| | - | (0.22) | - | (0.22) |
| IIFL Home Finance Limited | 0.20 | - | - | 0.20 |
| | (0.48) | - | - | (0.48) |
| 5paisa Capital Limited | - | 0.09 | - | 0.09 |
| | - | (0.01) | - | (0.01) |
| IIFL Open Fintech Private Limited | 0.01 | - | - | 0.01 |
| | (0.02) | - | - | (0.02) |
| Livlong Protection & Wellness Solutions Limited | - | 0.00 | - | 0.00 |
| | - | (0.00) | - | (0.00) |
| India Infoline Foundation | - | 0.01 | - | 0.01 |
| | - | - | - | - |
| IIHFL Sales Limited | - | 0.01 | - | 0.01 |
| | - | (0.08) | - | (0.08) |
| Livlong Insurance Brokers Limited | - | - | - | - |
| | - | (0.01) | - | (0.01) |
| **Sale of Fixed assets** | | | | |
| 5paisa Capital Limited | - | 0.03 | - | 0.03 |
| | - | (0.01) | - | (0.01) |
| IIFL Capital Services Limited | - | 0.06 | - | 0.06 |
| | - | (0.06) | - | (0.06) |
| IIFL Home Finance Limited | 0.20 | - | - | 0.20 |
| | (0.06) | - | - | (0.06) |
| IIFL Management Services Limited | - | 0.01 | - | 0.01 |
| | - | (0.01) | - | (0.01) |
| IIFL Facilities Services Limited | - | 0.01 | - | 0.01 |
| | - | (0.00) | - | (0.00) |
| India Infoline Foundation | - | 0.00 | - | 0.00 |
| | - | (0.01) | - | (0.01) |
| IIFL Open Fintech Private Limited | 0.00 | - | - | 0.00 |
| | (0.02) | - | - | (0.02) |
| IIFL Capital Asset Management Limited | - | 0.00 | - | 0.00 |
| | - | - | - | - |
| IIHFL Sales Limited | - | 0.00 | - | 0.00 |
| | - | - | - | - |
| Livlong Protection & Wellness Solutions Limited | - | 0.00 | - | 0.00 |
| | - | (0.00) | - | (0.00) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **Security deposit paid towards rent** | | | | |
| IIFL Facilities Services Limited | - | 0.30 | - | 0.30 |
| | - | (1.47) | - | (1.47) |
| **Assignment/Securitization transactions paid on behalf** | | | | |
| IIFL Home Finance Limited | 27.61 | - | - | 27.61 |
| | (45.04) | - | - | (45.04) |
| **Branding Income** | | | | |
| Livlong Insurance Brokers Limited | - | 13.79 | - | 13.79 |
| | - | (5.64) | - | (5.64) |
| **Availment of technical services** | | | | |
| Arcon Techsolutions Private Limited | - | 0.03 | - | 0.03 |
| | - | - | - | - |
| Grey Swift Private Limited | - | 0.12 | - | 0.12 |
| | - | - | - | - |
| **Commission/ fees on corporate guarantee given** | | | | |
| IIFL Home Finance Limited | 3.61 | - | - | 3.61 |
| | (4.93) | - | - | (4.93) |

## NOTE 44.2 CLOSING BALANCES WITH RELATED PARTIES

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| **Other payable** | | | | |
| IIFL Capital Services Limited | - | 0.04 | - | 0.04 |
| | - | (0.86) | - | (0.86) |
| IIFL Facilities Services Limited | - | - | - | - |
| | - | (0.18) | - | (0.18) |
| IIFL Open Fintech Private Limited | 0.05 | - | - | 0.05 |
| | - | - | - | - |
| IIHFL Sales Limited | - | 0.00 | - | 0.00 |
| | - | (0.01) | - | (0.01) |
| 360 ONE WAM Limited | - | - | - | - |
| | - | (0.34) | - | (0.34) |
| IIFL Samasta Finance Limited | - | - | - | - |
| | (23.25) | - | - | (23.25) |
| **Other receivable** | | | | |
| Livlong Insurance Brokers Limited | - | 1.41 | - | 1.41 |
| | - | (0.95) | - | (0.95) |
| IIFL Management Services Limited | - | 0.00 | - | 0.00 |
| | - | (0.01) | - | (0.01) |
| Livlong Protection & Wellness Solutions Limited | - | 6.16 | - | 6.16 |
| | - | (8.43) | - | (8.43) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| IIFL Home Finance Limited | 0.04 | - | - | 0.04 |
| | (5.88) | - | - | (5.88) |
| 5paisa Capital Limited | - | 0.33 | - | 0.33 |
| | - | (0.33) | - | (0.33) |
| IIFL Facilities Services Limited | - | 0.00 | - | 0.00 |
| | - | - | - | - |
| IIFL Samasta Finance Limited | 0.06 | - | - | 0.06 |
| | - | - | - | - |
| IIFL Open Fintech Private Limited | - | - | - | - |
| | (0.08) | - | - | (0.08) |
| IIFL Capital Asset Management Limited | - | 0.03 | - | 0.03 |
| | - | - | - | - |
| India Infoline Foundation | - | 11.05 | - | 11.05 |
| | - | (0.00) | - | (0.00) |
| **Security deposit receivable** | | | | |
| IIFL Facilities Services Limited | - | 2.69 | - | 2.69 |
| | - | (2.39) | - | (2.39) |
| **Corporate guarantee given** | | | | |
| IIFL Home Finance Limited | 260.33 | - | - | 260.33 |
| | (410.32) | - | - | (410.32) |
| **Loan & other receivable** | | | | |
| Mr. Shankar Subramanian | - | - | - | - |
| | - | - | (0.04) | (0.04) |
| **Gratuity payable *** | | | | |
| Mr.Nirmal Jain | - | - | 0.18 | 0.18 |
| | - | - | (0.16) | (0.16) |
| Mr.Kapish Jain | - | - | 0.07 | 0.07 |
| | - | - | (0.03) | (0.03) |
| Ms Rupal Jain | - | - | - | - |
| | - | - | (0.00) | (0.00) |
| Ms Mauli Agarwal | - | - | - | - |
| | - | - | (0.00) | (0.00) |
| Mr Samrat Sanyal | - | - | 0.00 | 0.00 |
| | - | - | - | - |
| **Leave encashment payable *** | | | | |
| Mr.Nirmal Jain | - | - | 1.12 | 1.12 |
| | - | - | (1.10) | (1.10) |
| Mr.Kapish Jain | - | - | 0.06 | 0.06 |
| | - | - | (0.02) | (0.02) |
| Ms Rupal Jain | - | - | - | - |
| | - | - | (0.00) | (0.00) |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of transaction | Direct subsidiaries | Other related parties | Key managerial personnel and close members of KMP | Total |
|---|---|---|---|---|
| Mr Samrat Sanyal | - | - | 0.01 | 0.01 |
| | - | - | - | - |
| Ms Mauli Agarwal | - | - | - | - |
| | - | - | (0.01) | (0.01) |
| **Short term employee benefit** | | | | |
| Mr.Nirmal Jain | - | - | 0.42 | 0.42 |
| | - | - | - | - |
| **Sitting Fees and Commission payable** | | | | |
| Mr. Arun Kumar Purwar | - | - | 0.15 | 0.15 |
| | - | - | - | - |
| Mr. Ramakrishnan Subramanian | - | - | 0.08 | 0.08 |
| | - | - | - | - |
| Mr. Bijou Kurien | - | - | 0.15 | 0.15 |
| | - | - | - | - |
| Mr. Nihar Jambusaria | - | - | 0.15 | 0.15 |
| | - | - | - | - |
| Ms. Nirma Anil Bhandari | - | - | 0.08 | 0.08 |
| | - | - | - | - |

* Based on actuarial valuation report

** ICD Transactions are including intraday transactions, if any.

(Figure in bracket represents previous year figure)

**NOTE 44.3** During the year, the Company paid remuneration to the Managing Director in accordance with the terms duly approved by the Board of Directors and the Shareholders, subject to the limits prescribed under Schedule V to the Companies Act, 2013. The Company has inadequate profits for the FY 2024-2025. Consequently, the remuneration paid to the Managing Director exceeded the limits specified under Schedule V, by ₹ 9.88 crores. The Board of Directors has ratified the payment at its meeting and has proposed the matter for Shareholders' approval by way of a special resolution at the forthcoming Annual General Meeting. Pending such approvals, the remuneration paid has been accounted as expense for the year. In accordance with provision contained in section 197(9) of the Act, the excess remuneration is held by the Managing Director in trust for the Company pending such approval.

## NOTE 45. CORPORATE SOCIAL RESPONSIBILITY:

(₹ in Crores)

| Particulars | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| (a) | Amount required to be spent | 15.89 | 10.91 |
| (b) | Amount of expenditure incurred | 4.92 | 9.30 |
| | (i) Construction/ acquisition of any asset | - | - |
| | (ii) On purpose other than (i) above | 4.92 | 9.30 |
| (c) | Shortfall at the end of the year | 10.97 | 1.61 |
| (d) | Total of previous years shortfall | - | - |
| (e) | Nature of CSR activities | Promoting education and healthcare, eradicating poverty | |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**NOTE 45.1. REASON FOR SHORTFALL:** The Company had contributed towards the ongoing projects to IIFL Foundation Limited and which remained unspent as on March 31, 2025 and March 31, 2024. The unspent amount has been transferred to a separate Bank account.

**NOTE 45.2.** In respect of other than ongoing projects, for the financial year 2023-24, the Company had transferred unspent amount of ₹ 0.01 Crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act, on June 04, 2024 i.e. within a period of six months of the expiry of the financial year 2024.

**NOTE 45.3.** The Company contributes its CSR requirement to India Infoline Foundation Limited, a group Company.

**NOTE 46.1 MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2025**

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| **[1]** | **Financial assets** | | | |
| | (a) Cash and cash equivalents | 528.23 | - | 528.23 |
| | (b) Bank balance other than (a) above | 832.38 | - | 832.38 |
| | (c) Derivative financial instruments | - | 50.25 | 50.25 |
| | (d) Receivables | | | |
| | (i) Trade receivables | 49.37 | - | 49.37 |
| | (ii) Other receivables | - | - | - |
| | (e) Loans | 15,677.19 | 7,189.80 | 22,866.99 |
| | (f) Investments | 342.91 | 5,114.66 | 5,457.57 |
| | (g) Other financial assets | 86.81 | 277.81 | 364.62 |
| **[2]** | **Non-financial assets** | | | |
| | (a) Current tax assets (net) | - | 148.76 | 148.76 |
| | (b) Deferred tax assets (net) | - | 295.54 | 295.54 |
| | (c) Investment property | - | 868.70 | 868.70 |
| | (d) Property, plant and equipment | - | 129.13 | 129.13 |
| | (e) Capital work-in-progress | - | 22.29 | 22.29 |
| | (f) Intangible assets under development | - | 0.88 | 0.88 |
| | (g) Right of-use assets | - | 339.38 | 339.38 |
| | (h) Other intangible assets | - | 6.17 | 6.17 |
| | (i) Other non-financial assets | 105.14 | 49.14 | 154.28 |
| **Total assets** | | **17,622.03** | **14,492.51** | **32,114.54** |
| **Liabilities and equity** | | | | |
| **Liabilities** | | | | |
| **[1]** | **Financial liabilities** | | | |
| | (a) Derivative financial instruments | 76.52 | 18.15 | 94.67 |
| | (b) Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 2.28 | - | 2.28 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 91.02 | - | 91.02 |
| | (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 | 34.28 | - | 34.28 |
| | (c) Finance lease obligation | 71.74 | 279.53 | 351.27 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| | (d) Debt securities | 4,296.03 | 7,063.97 | 11,360.00 |
| | (e) Borrowings (other than debt securities) | 4,055.83 | 7,242.11 | 11,297.94 |
| | (f) Subordinated liabilities | 93.15 | 1,773.07 | 1,866.22 |
| | (g) Other financial liabilities | 352.33 | 9.00 | 361.33 |
| **[2]** | **Non-financial liabilities** | | | |
| | (a) Current tax liabilities (net) | 10.53 | - | 10.53 |
| | (b) Provisions | 50.44 | 13.00 | 63.44 |
| | (c) Other non-financial liabilities | 74.46 | - | 74.46 |
| **[3]** | **Equity** | | | |
| | (a) Equity share capital | - | 84.90 | 84.90 |
| | (b) Other equity | - | 6,422.20 | 6,422.20 |
| **Total liabilities and equity** | | **9,208.61** | **22,905.93** | **32,114.54** |

## NOTE 46.2 MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| **[1]** | **Financial assets** | | | |
| | (a) Cash and cash equivalents | 863.92 | - | 863.92 |
| | (b) Bank balance other than (a) above | 897.82 | 68.76 | 966.58 |
| | (c) Derivative financial instruments | 149.89 | 7.80 | 157.69 |
| | (d) Receivables | | | |
| | (i) Trade receivables | 42.27 | - | 42.27 |
| | (ii) Other receivables | 29.65 | - | 29.65 |
| | (e) Loans | 13,720.28 | 4,706.56 | 18,426.84 |
| | (f) Investments | 83.90 | 5,072.68 | 5,156.58 |
| | (g) Other financial assets | 255.31 | 487.01 | 742.32 |
| **[2]** | **Non-financial assets** | | | |
| | (a) Current tax assets (net) | - | 154.05 | 154.05 |
| | (b) Deferred tax assets (net) | - | 75.92 | 75.92 |
| | (c) Investment property | - | 293.70 | 293.70 |
| | (d) Property, plant and equipment | - | 132.35 | 132.35 |
| | (e) Capital work-in-progress | - | 51.83 | 51.83 |
| | (f) Intangible assets under development | - | 0.17 | 0.17 |
| | (h) Right of-use assets | - | 363.98 | 363.98 |
| | (g) Other intangible assets | - | 4.12 | 4.12 |
| | (i) Other non-financial assets | 64.16 | 45.20 | 109.36 |
| **Total assets** | | **16,107.20** | **11,464.13** | **27,571.33** |
| **Liabilities and equity** | | | | |
| **Liabilities** | | | | |
| **[1]** | **Financial liabilities** | | | |
| | (a) Derivative financial instruments | 3.56 | 27.36 | 30.92 |
| | (b) Payables | | | |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 5.72 | - | 5.72 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 134.61 | - | 134.61 |
| | (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 | - | - | - |
| | (c) Finance lease obligation | 78.17 | 303.96 | 382.13 |
| | (d) Debt securities | 1,568.27 | 2,772.19 | 4,340.46 |
| | (e) Borrowings (other than debt securities) | 4,770.13 | 9,171.54 | 13,941.67 |
| | (f) Subordinated liabilities | 100.85 | 1,602.92 | 1,703.77 |
| | (g) Other financial liabilities | 1,293.57 | 10.12 | 1,303.69 |
| **[2]** | **Non-financial liabilities** | | | |
| | (a) Current tax liabilities (net) | 2.83 | - | 2.83 |
| | (b) Provisions | 28.27 | 11.26 | 39.53 |
| | (c) Other non-financial liabilities | 90.09 | - | 90.09 |
| **[3]** | **Equity** | | | |
| | (a) Equity share capital | - | 76.31 | 76.31 |
| | (b) Other equity | - | 5,519.60 | 5,519.60 |
| **Total Liabilities and equity** | | **8,076.07** | **19,495.26** | **27,571.33** |

## NOTE 47. REGROUPINGS OR RECLASSIFICATION

Figures for the previous year have been re-grouped / reclassified wherever necessary, to confirm to current financial year's classification.

## 48. DISCLOSURE AS REQUIRED UNDER ANNEX XXII- RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023 DATED FEBRUARY 27, 2025 AS MAY BE AMENDED FROM TIME TO TIME

### (i) Capital Adequacy Ratio

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| CRAR (%) | 18.48% | 18.85% |
| CRAR - Tier I Capital (%) | 13.78% | 12.56% |
| CRAR - Tier II Capital (%) | 4.70% | 6.29% |
| Amount of subordinate debt raised as Tier- II capital (₹ in Crores) | 1,784.40 | 1,608.78 |
| Amount raised by issue of perpetual debt instruments. | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(ii) Disclosure of Investments**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Value of Investments** | | |
| **Gross value of Investments*** | **6,051.83** | **5,163.67** |
| (a) In India | 6,051.83 | 5,163.67 |
| (b) Outside India | - | - |
| **Provision for depreciation/diminution** | **594.26** | **7.09** |
| (a) In India | 594.26 | 7.09 |
| (b) Outside India | - | - |
| **Net value of investments** | **5,457.57** | **5,156.58** |
| (a) In India | 5,457.57 | 5,156.58 |
| (b) Outside India | - | - |
| **Movement of provisions held towards depreciation on Investments** | | |
| **Opening balance** | **7.09** | **329.90** |
| Add: Provision made during the year | 587.17 | 7.09 |
| Less : Write -off / write-back of excess provisions during the year | - | (329.90) |
| **Closing balance** | **594.26** | **7.09** |

*Include mark to market loss of ₹ 173.90 Crores (previous year loss ₹150.93 Crores)

**(iii) Derivatives:**

**(a) Forward Rate Agreement / Interest Rate Swap**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| The notional principal of Forward/swap agreements* | 7,196.37 | 4,770.02 |
| Losses which would be incurred if counterparties failed to fulfill their obligation under the agreements. | 50.25 | 157.69 |
| Collateral required by the NBFC upon entering into swaps | - | - |
| Concentration of credit risk arising from the swaps | 7,196.37 | 4,770.02 |
| The fair value of swap book | (44.42) | 126.77 |

*The Company has hedged its foreign currency borrowings through forward contract and interest rate swaps. For Accounting Policy & Risk Management Policy. (Refer note no. 38C)

**(b) Exchange traded Interest Rate "IR" derivatives**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Notional principal amount of exchange traded IR derivatives undertaken | | |
| - Forward Rate agreements | - | - |
| **Total** | **-** | **-** |
| Notional principal amount of exchange traded IR derivatives outstanding | | |
| - Forward Rate agreements | - | - |
| **Total** | **-** | **-** |
| Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" | - | - |
| Mark to market value of exchange traded IR derivative outstanding and not "highly effective" | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(c) Disclosures on Risk Exposure in Derivatives:**

**(I) Qualitative disclosure:**

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivative contracts such as foreign exchange forward, cross currency contracts, interest rate swaps, foreign currency futures, options and swaps to hedge its exposure to movements in foreign exchange and interest rates. The use of these derivative contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The Finance Committee and Asset Liability Management Committee (ALCO) of the Board is entrusted with the management and monitoring of risks in derivatives.

To hedge its risks on the principal and/ or interest amount for foreign currency borrowings on its balance sheet, the Company has currently used cross currency derivatives, forwards and principal only swaps. Additionally, the Company has entered into Interest Rate Swaps (IRS) to hedge its interest rate risk on the floating rate foreign currency borrowings.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently re-measured to fair value at each reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market value) or as liabilities when the fair value is negative (negative marked to market value). Fair value of derivatives is ascertained from the mark to market and accrual values received from the counterparty banks. Changes in the fair value of future cash flows of these contracts that are designated and effective as hedges are recognized directly in "Cash Flow Hedge Reserve" under Other Equity and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, no longer qualifies for hedge accounting or the Company chooses to end the hedging relationship.

**(II) Quantitative Disclosure**

(₹ in Crores)

| Particulars | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | Currency Derivatives | Interest Rate Derivatives | Currency Derivatives | Interest Rate Derivatives |
| Derivatives (Notional Principle Amount): | | | | |
| - For hedging * | 7,196.37 | - | 4,074.52 | 695.50 |
| Mark to market positions: | | | | |
| a) Asset | 50.25 | - | 140.65 | 17.04 |
| b) Liability | 94.67 | - | 30.92 | - |
| Credit Exposure | - | - | - | - |
| Unhedged Exposures | 2.66 | - | 1.87 | - |

* The Company has opted for hedge accounting under IND AS 109 as stated under the material accounting policies.

**(iv) Disclosures pertaining to securitization transactions**

The Company sells loans through securitization and direct assignment.

**(A) The information on securitization done by the Company as an originator is given below:**

(₹ in Crores)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Total number of loan assets under par structure | 20,151 | 25,226 |
| Total book value of loan assets | 350.00 | 308.33 |
| Sale consideration received | 350.00 | 308.33 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**The information on securitization of the Company as an originator in respect of outstanding amount of securitized assets is given below:**

(₹ in Crores)

| Particulars | | | March 31, 2025 | March 31, 2024 |
|---|---|---|---|---|
| 1. | No. of SPVs sponsored by the Company for securitization transactions | | 1 | 1 |
| 2. | Total amount of securitized assets as per the books of SPVs sponsored by the Company | | 341.33 | 110.45 |
| 3. | Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet | | 54.87 | 48.33 |
| | **a)** | **Off - Balance Sheet Exposures** | | |
| | | First Loss | - | - |
| | | Others | - | - |
| | **b)** | **On - Balance Sheet Exposures** | | |
| | | First Loss | 26.49 | 23.33 |
| | | Investment in PTC | - | - |
| | | Overcollateralization | 28.38 | 25.00 |
| 4. | Amount of exposures to securitization transaction other than MRR | | - | - |
| | **a)** | **Off - Balance Sheet Exposures** | | |
| | | i) Exposures to own securitizations | | |
| | | First Loss | - | - |
| | | Others | - | - |
| | | ii) Exposures to third party securitizations | | |
| | | First Loss | - | - |
| | | Others | - | - |
| | **b)** | **On - Balance Sheet Exposures** | | |
| | | i) Exposures to own securitizations | - | - |
| | | First Loss | - | - |
| | | Others | | |
| | | ii) Exposures to third party securitizations | | |
| | | First Loss | - | - |
| | | Others | - | - |

**(B) The information on direct assignment of the Company as an originator in respect of par transaction done during the year is given below:**

(₹ in Crores)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| Total number of loan assets under par structure | 2,03,371 | 9,32,133 |
| Total book value of loan assets | 2,831.97 | 9,029.31 |
| Sale consideration received | 2,831.97 | 9,029.31 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**The information on direct assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below:**

(₹ in Crores)

| Particulars | March 31, 2025 | March 31, 2024 |
|---|---|---|
| No. of transactions assigned by the Company | 68 | 93 |
| Total amount outstanding | 3,124.30 | 7,667.15 |
| Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet | 312.43 | 766.62 |
| **a) Off - Balance Sheet Exposures** | | |
| First Loss | - | - |
| Others | - | - |
| **b) On - Balance Sheet Exposures** | | |
| First Loss | - | - |
| Investment in PTC | - | - |
| Exposures to own assigned transactions | - | - |
| Amount of exposures to assigned transaction other than MRR | - | - |
| **a) Off - Balance Sheet Exposures** | | |
| i) Exposures to own assigned transactions | | |
| First Loss | - | - |
| Others | - | - |
| ii) Exposures to third party assigned tranactions | | |
| First Loss | - | - |
| Others | - | - |
| **b) On - Balance Sheet Exposures** | | |
| i) Exposures to own assigned transactions | | |
| First Loss | - | - |
| Others | - | - |
| ii) Exposures to third party assigned tranactions | | |
| First Loss | - | - |
| Others | - | - |

**(v) Asset liability management maturity pattern**

**As at March 31, 2025**

(₹ in Crores)

| Particulars | 1 day to 7 days | 8 day to 14 days | 15 day to 30/31 days | Over 1 month upto 2 month | Over 2 months upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 year | Over 3 year & upto 5 year | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | - | - | **-** |
| Loans & Advances* | 770.99 | 332.76 | 1,180.12 | 1,880.75 | 2,480.61 | 2,747.58 | 5,547.53 | 6,572.78 | 363.95 | 231.63 | **22,108.70** |
| Other Advances | - | 93.55 | 93.61 | 178.18 | 243.47 | - | 128.04 | - | - | 21.44 | **758.29** |
| Investments | - | - | 150.65 | 192.11 | - | - | - | 17.39 | - | 5,097.42 | **5,457.57** |
| Borrowings (Includes foreign currency borrowings) | 60.38 | - | 327.22 | 616.80 | 2,323.52 | 964.46 | 4,152.64 | 8,388.84 | 6,348.78 | 1,341.52 | **24,524.16** |

(₹ in Crores)

| Particulars | 1 day to 7 days | 8 day to 14 days | 15 day to 30/31 days | Over 1 month upto 2 month | Over 2 months upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 year | Over 3 year & upto 5 year | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Foreign currency assets | - | - | - | - | - | - | - | - | - | - | - |
| Foreign currency liabilities | - | - | - | - | - | - | - | - | - | - | - |

*Net of ECL Provision of ₹ 437.57 Crores

**As at March 31, 2024**

(₹ in Crores)

| Particulars | 1 day to 7 days | 8 day to 14 days | 15 day to 30/31 days | Over 1 month upto 2 month | Over 2 months upto 3 months | Over 3 months & upto 6 months | Over 6 months & upto 1 year | Over 1 year & upto 3 year | Over 3 year & upto 5 year | Over 5 years | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Deposits | - | - | - | - | - | - | - | - | - | - | - |
| Loans & Advances* | 819.94 | 292.21 | 2,039.52 | 3,397.82 | 1,829.71 | 1,712.82 | 2,434.63 | 4,162.08 | 491.36 | 87.50 | **17,267.59** |
| Other Advances | - | 87.28 | 87.28 | 166.41 | 227.32 | 410.63 | 214.73 | - | - | (34.40) | **1,159.25** |
| Investments | - | - | 59.77 | 24.13 | - | - | - | 13.69 | - | 5,059.00 | **5,156.58** |
| Borrowings (Includes foreign currency borrowings) | 49.01 | 27.07 | 197.36 | 1,012.22 | 637.90 | 1,858.94 | 2,655.39 | 8,943.38 | 3,254.16 | 1,375.48 | **20,010.90** |
| Foreign currency assets | - | - | - | - | - | - | - | - | - | - | - |
| Foreign currency liabilities | - | - | - | - | - | - | - | - | - | - | - |

*Net of ECL Provision of ₹ 574.87 Crore

**(vi) Exposure to Real Estate Sector**

(₹ in Crores)

| Category | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **a) Direct Exposure** | | |
| **(i) Residential Mortgages** | | |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. | 961.82 | 939.45 |
| **(ii) Commercial Real Estate** | | |
| Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residentail building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) | 322.80 | 1,284.58 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Category | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -** | | |
| a. Residential | - | - |
| b. Commercial Real Estate | - | - |
| **Total Direct Exposure (A)** | **1,284.62** | **2,224.03** |
| **b) Indirect Exposure (B)** | | |
| **Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.** | **1,085.80** | **1,235.80** |
| **Total Exposure to Real Estate Sector (A+B)** | **2,370.42** | **3,459.83** |

**(vii) Exposure to Capital Market:**

(₹ in Crores)

| Particulars | | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| (i) | Direct investment in equity shares, convertibles bonds, convertible debentures and unit of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; | 192.11 | 24.13 |
| (ii) | Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investments in shares ( including IPOs/ ESOPs), convertible bonds, convertible debentures, and unit of equity-oriented mutual funds; | 301.80 | 329.70 |
| (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 | 327.27 | 8.75 |
| (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) | All exposures to Alternative Investment Funds: - **Category - II** | - | - |
| **Total Exposure to Capital Market** | | **629.07** | **338.46** |

**Note**:

(a) The above excludes direct equity and debt investment in own subsidiary companies.

**(viii)** Pursuant to Regulation 30 and 51 of the Listing Regulations (as amended from time to time) read with Para A of Part A of Schedule III of the Listing Regulations,the Company paid a penalty of ₹ 0.01 Crores each to both the Stock Exchanges on which the Company is listed, i.e. BSE and NSE, regarding penal action for non-submission of the financial results for FY 2023-2024 within the stipulated timelines of sixty days from the year end prescribed under Listing Regulations.The Company due to operational issues had to delay the Board meeting and had well in advance intimated the same to stock exchanges for an extension. Apart from this no penalty has been imposed during the year by RBI or other regulators.

**(ix) Details of Credit Ratings:**

**A) Ratings assigned by Credit Rating Agencies and Migration in rating:**

(₹ in Crores)

| Rating Agency | Product | As at March 31, 2025 | | As at March 31, 2024 | | Migration in rating |
|---|---|---|---|---|---|---|
| | | Amount | Rating assigned | Amount | Rating assigned | |
| CARE Ratings Limited | Non Convertible Debenture | - | - | 537.50 | CARE AA (RWD) Placed on Rating Watch with Developing Implications | Nil |
| CARE Ratings Limited | Long Term Bank Facilities | - | - | 400.00 | CARE AA (RWD) Placed on Rating Watch with Developing Implications | Nil |
| CARE Ratings Limited | Subordinate Debt | - | - | 100.00 | CARE AA (RWD) Placed on Rating Watch with Developing Implications | Nil |
| ICRA Limited | Non Convertible Debentures Programme | 8,131.92 | [ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 8,131.92 | [ICRA]AA ; placed on Rating Watch with Negative Implications | Nil |
| ICRA Limited | Commercial Paper programme | 8,000.00 | [ICRA]A1+; reaffirmed | 8,000.00 | [ICRA]A1+; | Nil |
| ICRA Limited | Subordinate Debt Programme | 657.00 | [ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 657.00 | [ICRA]AA ; placed on Rating Watch with Negative Implications | Nil |
| ICRA Limited | Long Term Bank Lines | 5,775.00 | [ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 5,775.00 | [ICRA]AA ; placed on Rating Watch with Negative Implications | Nil |
| ICRA Limited | Long Term Principal Protected Equity Linked Debenture Programme | 500.00 | PP-MLD[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 500.00 | PP-MLD[ICRA]AA ; placed on Rating Watch with Negative Implications | Nil |
| ICRA Limited | Long Term Principal Protected Market Linked Debenture Programme | 314.00 | PP-MLD[ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 364.00 | PP-MLD[ICRA]AA (Stable); placed on Rating Watch with Negative Implications | Nil |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Rating Agency | Product | As at March 31, 2025 | | As at March 31, 2024 | | Migration in rating |
|---|---|---|---|---|---|---|
| | | Amount | Rating assigned | Amount | Rating assigned | |
| ICRA Limited | Commercial Paper programme (IPO financing) | 500.00 | [ICRA]A1+; reaffirmed | 500.00 | [ICRA]A1+; | Nil |
| ICRA Limited | Non convertible debenture programme | 5,000.00 | [ICRA]AA (Stable); Reaffirmed and removed from rating Watch with Negative Implications | 5,000.00 | [ICRA]AA ; placed on Rating Watch with Negative Implications | Nil |
| CRISIL Limited | Non Convertible Debentures * | 5,000.00 | Crisil AA/Stable (Reaffirmed) | 5,000.00 | CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications') | Nil |
| CRISIL Limited | Long Term Principal Protected Market Linked Debentures | 859.00 | Crisil PPMLD AA/ Stable (Reaffirmed) | 1,100.00 | CRISIL PPMLD AA/ Watch Developing (Continues on'Rating Watch with Developing Implications') | Nil |
| CRISIL Limited | Perpetual bonds | 300.00 | Crisil AA-/Stable (Reaffirmed) | 300.00 | CRISIL AA-/Watch Developing (Continues on 'RatingWatch with Developing Implications') | Nil |
| CRISIL Limited | Commercial Paper programme (IPO financing) | 500.00 | CRISIL A1+ reaffirmed | 500.00 | CRISIL A1+ reaffirmed | Nil |
| CRISIL Limited | Commercial Paper | 8,500.00 | CRISIL A1+ reaffirmed | 8,500.00 | CRISIL A1+ reaffirmed | Nil |
| CRISIL Limited | Total Bank Loan Facilities Rated (Long Term Rating) | 7,000.00 | Crisil AA/Stable (Reaffirmed) | 7,000.00 | CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications') | Nil |
| CRISIL Limited | Non Convertible Debentures * | 4,198.02 | Crisil AA/Stable (Reaffirmed) | 2,823.03 | CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications') | Nil |
| CRISIL Limited | Non Convertible Debentures * | 1,134.88 | Crisil AA/Stable (Reaffirmed) | 1,134.88 | CRISIL AA/Watch Developing (Continues on 'RatingWatch with Developing Implications') | Nil |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Rating Agency | Product | As at March 31, 2025 | | As at March 31, 2024 | | Migration in rating |
|---|---|---|---|---|---|---|
| | | Amount | Rating assigned | Amount | Rating assigned | |
| Brickwork Ratings | NCDs (Public Issue) | 1,125.05 | " BWR AA+/Stable (Reaffirmed and removed Rating Watch with Negative Implications) " | 1,134.88 | BWR AA + /Rating Watch with Negative Implications | Nil |
| Brickwork Ratings | Non Convertible Debentures | 78.18 | " BWR AA+/Stable (Reaffirmed and removed Rating Watch with Negative Implications) " | 78.18 | BWR AA + /Rating Watch with Negative Implications | Nil |
| India Ratings | Non-convertible debentures (NCDs)* | 250.00 | IND AA / Stable | 250.00 | IND AA/Rating Watch with Negative Implications | Nil |
| India Ratings | Perpetual debt (Tier 1 instrument) | 300.00 | IND AA- / Stable | 300.00 | IND AA-/Rating Watch with Negative Implications | Nil |
| Fitch | Long Term Issuer Default Rating (IDR) | NA | B+/Stable | - | - | Nil |
| Fitch | Senior secured notes issued under US$ 1 billion Global Medium Term Note(GMTN) Programme | US$ 425Million | B+ | - | - | Nil |
| S&P Global Ratings | Long Term Issuer Default Rating (IDR) | NA | B+/Stable | - | - | Nil |
| S&P Global Ratings | Short Term Issuer Default Rating (IDR) | NA | B | - | - | Nil |
| S&P Global Ratings | Senior Secured Notes issued under US$ 1 billion Global MTN Programme | US$ 425Million | B+ | - | - | Nil |

*Interchangeable between secured and subordinated debt.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(x)** No registration has been obtained from other financial regulators.

**(xi)** The disclosures as required by the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated February 27, 2025 as may be amended from time to time and Disclosures in Financial statement-Notes to Accounts as issued by RBI

a. No draw down from reserves have been done during the year.
b. The Company does not have any overseas assets.
c. The Company does not have any off balancesheet SPV sponsored .
d. The Company does not have any parent company hence details of Financing of parent company is not applicable.
e. No revenue recognition has been postponed.
f. Auditors have not expressed modified opinion on the audited financial statements.
g. The Company had certain AIF investments that were due to mature in June 2024. In March 2024, the Company requested the AIF to do in-specie distribution of assets (i.e.: debentures of underlying SPV companies) in lieu of its investment in the AIF. Subsequently, these debentures were assigned to an ARC, and the book value of the resulting Security Receipts (SRs), based on the same underlying assets as of September 30, 2024, was ₹ 586.50 Crores. The RBI Circular dated December 19, 2023, on "Investments in Alternative Investment Funds (AIFs)" required a 100% provision of AIF investments if they were not liquidated within 30 days of the circular being applicable. To comply with the spirit of this circular, the management has decided to make a provision equivalent to 100% of the book value of these SRs, accordingly the same has been disclosed under exceptional items for the year ended March 31, 2025.
h. There has been no breach in terms of covenants in respect of loans availed by the Company or debt securities issued by the Company including incidence of default.
i. There is no divergence in asset classification and provisioning norms.
j. The Company has not financed any advances for which intangible securities such as charges over rights, Licences, authorities etc. has been taken.
k. The Company has not given loans to Entities associated with directors and their relatives and Senior Officers and their relatives, however Details of loan given to director and their relative is disclosed in Note no. 44 of the Financial statement.
l. There are no prior period items which are impacting company's current year profit and loss.

**(xii)** The Company during the year ended has not exceeded single borrower limit (SGL)/ group borrower limit (GBL) while performing its lending operations.

**(xiii) Remuneration paid to Non Executive Directors:**

(₹ in Crores)

| Name of the Director | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Mr. Arun Kumar Purwar | 0.39 | 0.49 |
| Ms. Geeta Mathur | 0.10 | 0.44 |
| Mr. Nilesh Vikamsey | - | 0.48 |
| Mr. Ramakrishnan Subramanian | 0.32 | 0.35 |
| Ms. Nirma Anil Bhandari | 0.18 | - |
| Mr. Vijay Kumar Chopra | 0.02 | 0.35 |
| Mr. Bijou Kurien | 0.30 | 0.02 |
| Mr. Nihar Jambusaria | 0.40 | 0.02 |
| Mr. T S Ramakrishnan | 0.11 | 0.04 |
| **Total** | **1.82** | **2.19** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

### (xiv) Details of Provisions and Contingencies

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Provision for depreciation in investment | 587.17 | (322.81) |
| Provision towards non performing advances | (50.44) | 228.60 |
| **Other Provision and Contingencies:** | | |
| Bad debts written off/(back) | 604.34 | 279.32 |
| Provision for Contingencies/Other financial assets | (11.09) | 7.29 |
| Provision for Standard Assets | (86.31) | (136.51) |
| **Total** | **1,043.67** | **55.89** |
| Provision made towards Income Tax | (141.20) | 145.20 |

### (xv) Details Of Concentration Of Advances, Exposures & NPA:

#### a) Concentration of Advances

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total advances to twenty largest borrowers | 866.62 | 1,423.19 |
| Outstanding Advances | 22,546.27 | 17,842.40 |
| Percentage of advances to twenty largest borrowers to total advances | 3.84% | 7.98% |

#### b) Concentration of Exposures

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total Exposure to twenty largest borrowers / customers | 891.46 | 1,574.80 |
| Percentage of exposure to twenty largest borrowers / customers to total exposure | 3.87% | 8.47% |

#### c) Concentration of NPAs

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total exposure to top four NPA accounts | 26.68 | 58.80 |

#### d) Details Of Sectorwise NPA:

(₹ in Crores)

| Particulars | % of NPAs to total advances in that sector | | | | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector |
| | As at March 31, 2025 | | | As at March 31, 2024 | | |
| **1. Agriculture & allied activities** | - | - | 0.00% | - | - | 0.00% |
| **2. Industry** | | | | | | |
| a. Micro & Small - SME | 5,177.20 | 203.68 | 3.93% | 3,347.99 | 100.31 | 3.00% |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | % of NPAs to total advances in that sector | | | | | |
|---|---|---|---|---|---|---|
| | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector | Total Exposure (includes on balance sheet and off-balance sheet exposure) | Gross NPAs | Percentage of Gross NPAs to total exposure in that sector |
| | As at March 31, 2025 | | | As at March 31, 2024 | | |
| **3. Services** | | | | | | |
| a. Commercial & Residential Real Estate | 168.05 | 25.95 | 15.44% | 1,285.31 | 58.55 | 4.56% |
| **4. Personal Loans** | | | | | | |
| a. Loans against Gold Jewellery | 14,337.64 | 76.12 | 0.53% | 10,116.47 | 368.70 | 3.64% |
| b. Advances to Individuals against share, bonds, etc. | 304.10 | - | 0.00% | 201.91 | - | 0.00% |
| c. Loan against property | 1,104.97 | 3.41 | 0.31% | 1,073.50 | 27.54 | 2.57% |
| d. Others | 244.00 | 26.45 | 10.84% | 903.87 | 85.99 | 9.51% |
| **5. Other loans*** | **1,721.97** | **88.09** | **5.12%** | **1,696.42** | **12.14** | **0.72%** |

* Other loans include all loans that cannot be classified under any of the other sectors.

**(xvi). Movement of NPAs:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(i) Net NPAs to Net Advances (%)** | 0.69% | 1.90% |
| **(ii) Movement of NPAs (Gross)** | | |
| (a) Opening balance* | 737.30 | 202.49 |
| (b) Addition during the year | 450.23 | 689.66 |
| (c) Reduction during the year | (705.69) | (154.86) |
| (d) Closing balance* | 481.84 | 737.30 |
| **(iii) Movement of Net NPAs** | | |
| (a) Opening balance | 332.99 | 89.69 |
| (b) Addition during the year | 145.10 | 316.93 |
| (c) Reduction during the year | (324.21) | (73.63) |
| (d) Closing balance | 153.88 | 332.99 |
| **(iv) Movement of provision for NPAs** | | |
| (a) Opening balance* | 404.30 | 112.81 |
| (b) Addition during the year | 305.14 | 372.73 |
| (c) Reduction during the year | (381.48) | (81.23) |
| (d) Closing balance* | 327.96 | 404.30 |

* Includes Interest of ₹ 58.15 Crores (previous year ₹ 84.06 Crores)

**Note**: The above has been computed basis EAD for credit impaired advances.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(xvii).Disclosure of Complaints:**

| Particulars | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| 1. | Number of complaints pending at the beginning of year | 251 | 50 |
| 2. | Number of complaints received during the year | 45,282 | 38,222 |
| 3. | Number of complaints redressed during the year | 45,362 | 38,021 |
| 3.1 | Of which, number of complaints rejected by the NBFC | - | - |
| 4. | Number of complaints pending at the end of the year | 171 | 251 |

**Maintainable complaints received by the NBFC from Office of Ombudsman**

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Number of maintainable complaints received by the NBFC from Office of Ombudsman | 883 | 842 |
| a. number of complaints resolved in favour of the NBFC by Office of Ombudsman | 866 | 841 |
| b. number of complaints resolved through conciliation/mediation / advisories issued by Office of Ombudsman | 17 | 1 |
| c. number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC | - | - |
| d. Number of Awards unimplemented within the stipulated time (other than those appealed) | - | - |

**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 |
| | **Current Year** | | | | |
| Waiver/Refund | 116 | 18,725 | 47.87% | 103 | - |
| CIBIL Updation | 4 | 639 | (25.35%) | 5 | - |
| Payments | 27 | 4,420 | (15.89%) | 2 | - |
| Collections | 33 | 3,081 | (34.40%) | 11 | - |
| Documents | - | 208 | 24.55% | 1 | - |
| Others | 71 | 18,209 | 24.86% | 49 | - |
| **Total** | **251** | **45,282** | | **171** | **-** |
| | **Previous Year** | | | | |
| Waiver/Refund | 14 | 12,663 | 210.29% | 116 | - |
| CIBIL Updation | 1 | 856 | (61.02%) | 4 | - |
| Payments | 6 | 5,255 | 594.19% | 27 | - |
| Collections | 7 | 4,697 | 601.04% | 33 | - |
| Documents | 11 | 167 | (70.49%) | - | - |
| Others | 11 | 14,584 | 650.59% | 71 | - |
| **Total** | **50** | **38,222** | | **251** | **-** |

**Note:**

(i) The above includes not only complaints but also queries received from the customers for the various grounds as mentioned above.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**(xviii) Disclosure of restructured accounts:**

(₹ in Crores)

**Details for FY 2024-25**

| Sr. No. | Type of Restructuring | | Under CDR Mechanism / SME Debt Restructuring Mechanism | | | | | Others | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification | | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total |
| 1 | Restructured Accounts as on April 1 of the FY 2024 - 25 (opening figures)* | No. of borrowers | - | - | - | - | - | 138 | 1,31,112 | 4 | 84 | 1,31,338 | 138 | 1,31,112 | 4 | 84 | 1,31,338 |
| | | Amount outstanding | - | - | - | - | - | 4.02 | 271.98 | 0.20 | 0.63 | 276.83 | 4.02 | 271.98 | 0.20 | 0.63 | 276.83 |
| | | Provision thereon | - | - | - | - | - | 0.33 | 108.80 | 0.20 | 0.51 | 109.84 | 0.33 | 108.80 | 0.20 | 0.51 | 109.84 |
| 2 | Fresh restructuring during the year 2024-25 | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Upgradations to restructured standard category during the FY 2024-25[1] | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Increase / Decrease in existing restructured accounts | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | (1.17) | - | - | (0.00) | (1.17) | (1.17) | - | - | (0.00) | (1.17) |
| | | Provision thereon | - | - | - | - | - | (0.09) | - | - | 0.03 | (0.06) | (0.09) | - | - | 0.03 | (0.06) |
| 5 | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2023 and hence need not be shown as restructured standard advances at the beginning of the next FY 2024 - 25 | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Downgradations of restructured accounts during the FY 2024-25[1] | No. of borrowers | - | - | - | - | - | (2) | - | - | 2 | - | (2) | - | - | 2 | - |
| | | Amount outstanding | - | - | - | - | - | (0.07) | - | - | 0.01 | (0.06) | (0.07) | - | - | 0.01 | (0.06) |
| | | Provision thereon | - | - | - | - | - | (0.01) | - | - | 0.01 | - | (0.01) | - | - | 0.01 | - |
| 7 | Fully recovered / Write-offs of restructured accounts during the FY 2024-25 | No. of borrowers | - | - | - | - | - | (65) | (1,28,427) | (4) | (24) | (1,28,520) | (65) | (1,28,427) | (4) | (24) | (1,28,520) |
| | | Amount outstanding | - | - | - | - | - | (2.37) | (266.04) | (0.20) | (0.48) | (269.09) | (2.37) | (266.04) | (0.20) | (0.48) | (269.09) |
| | | Provision thereon | - | - | - | - | - | (0.20) | (106.42) | (0.20) | (0.39) | (107.21) | (0.20) | (106.42) | (0.20) | (0.39) | (107.21) |
| 8 | Restructured Accounts as on March 31 of the FY 2024 - 25 (closing figures)* | No. of borrowers | - | - | - | - | - | 71 | 2,685 | - | 62 | 2,818 | 71 | 2,685 | - | 62 | 2,818 |
| | | Amount outstanding | - | - | - | - | - | 0.41 | 5.94 | - | 0.16 | 6.51 | 0.41 | 5.94 | - | 0.16 | 6.51 |
| | | Provision thereon including provision for diminution in fair value | - | - | - | - | - | 0.03 | 2.38 | - | 0.16 | 2.57 | 0.03 | 2.38 | - | 0.16 | 2.57 |

* Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1] For accounts which have transitioned from one asset category to another, Mar'24 provision has been considered for previous asset category and Mar'25 Provision has been considered for updated asset category.

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

| No. of Accounts Restructured | Amount (₹ in Crores) |
|---|---|
| 71 | 0.41 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**Details for FY 2023-24**

(₹ in Crores)

| Sr. No. | Type of Restructuring | | Under CDR Mechanism / SME Debt Restructuring Mechanism | | | | | Others | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Classification | | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total | Standard | Sub-Standard | Doubtful | Loss | Total |
| 1 | Restructured Accounts as on April 1 of the FY 2023 - 24 (opening figures)* | No. of borrowers | - | - | - | - | - | 346 | 50 | 4 | 217 | 617 | 346 | 50 | 4 | 217 | 617 |
| | | Amount outstanding | - | - | - | - | - | 20.57 | 2.60 | 0.28 | 5.01 | 28.46 | 20.57 | 2.60 | 0.28 | 5.01 | 28.46 |
| | | Provision thereon | - | - | - | - | - | 3.72 | 2.20 | 0.15 | 4.08 | 10.15 | 3.72 | 2.20 | 0.15 | 4.08 | 10.15 |
| 2 | Fresh restructuring during the year 2023-24 | No. of borrowers | - | - | - | - | - | - | 1,31,112 | - | - | 1,31,112 | - | 1,31,112 | - | - | 1,31,112 |
| | | Amount outstanding | - | - | - | - | - | - | 271.98 | - | - | 271.98 | - | 271.98 | - | - | 271.98 |
| | | Provision thereon | - | - | - | - | - | - | 108.80 | - | - | 108.80 | - | 108.80 | - | - | 108.80 |
| 3 | Upgradations to restructured standard category during the FY 2023-24[1] | No. of borrowers | - | - | - | - | - | 4 | (4) | 2 | (2) | - | 4 | (4) | 2 | (2) | - |
| | | Amount outstanding | - | - | - | - | - | 0.01 | (0.03) | 0.17 | (0.17) | (0.02) | 0.01 | (0.03) | 0.17 | (0.17) | (0.02) |
| | | Provision thereon | - | - | - | - | - | 0.00 | (0.03) | 0.17 | (0.11) | 0.03 | 0.00 | (0.03) | 0.17 | (0.11) | 0.03 |
| 4 | Increase / Decrease in existing restructured accounts | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | (5.21) | - | (0.00) | (0.00) | (5.22) | (5.21) | - | (0.00) | (0.00) | (5.22) |
| | | Provision thereon | - | - | - | - | - | (1.45) | - | 0.01 | (0.01) | (1.45) | (1.45) | - | 0.01 | (0.01) | (1.45) |
| 5 | Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY 2023 and hence need not be shown as restructured standard advances at the beginning of the next FY 2023 - 24 | No. of borrowers | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Amount outstanding | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | Provision thereon | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Downgradations of restructured accounts during the FY 2023-24[1] | No. of borrowers | - | - | - | - | - | (24) | - | - | 24 | - | (24) | - | - | 24 | - |
| | | Amount outstanding | - | - | - | - | - | (0.95) | - | - | 0.46 | (0.49) | (0.95) | - | - | 0.46 | (0.49) |
| | | Provision thereon | - | - | - | - | - | (0.20) | - | - | 0.37 | 0.17 | (0.20) | - | - | 0.37 | 0.17 |
| 7 | Fully recovered / Write-offs of restructured accounts during the FY 2023-24 | No. of borrowers | - | - | - | - | - | (188) | (46) | (2) | (155) | (391) | (188) | (46) | (2) | (155) | (391) |
| | | Amount outstanding | - | - | - | - | - | (10.40) | (2.56) | (0.26) | (4.66) | (17.88) | (10.40) | (2.56) | (0.26) | (4.66) | (17.88) |
| | | Provision thereon | - | - | - | - | - | (1.74) | (2.17) | (0.13) | (3.82) | (7.86) | (1.74) | (2.17) | (0.13) | (3.82) | (7.86) |
| 8 | Restructured Accounts as on March 31 of the FY 2023 - 24 (closing figures)* | No. of borrowers | - | - | - | - | - | 138 | 1,31,112 | 4 | 84 | 1,31,338 | 138 | 1,31,112 | 4 | 84 | 1,31,338 |
| | | Amount outstanding | - | - | - | - | - | 4.02 | 271.98 | 0.20 | 0.63 | 276.83 | 4.02 | 271.98 | 0.20 | 0.63 | 276.83 |
| | | Provision thereon including provision for diminution in fair value | - | - | - | - | - | 0.33 | 108.80 | 0.20 | 0.51 | 109.84 | 0.33 | 108.80 | 0.20 | 0.51 | 109.84 |

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

[1]For accounts which have transitioned from one asset category to another, Mar'23 provision has been considered for previous asset category and Mar'24 Provision has been considered for updated asset category.

Details of MSME Accounts Restructured as per instructions given by RBI in its circular dated January 1, 2019:

| No. of Accounts Restructured | Amount (₹ in Crores) |
|---|---|
| 138 | 4.02 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(xix) Asset Classification**

(₹ in Crores)

| Particulars | Outstanding Balance | Provision |
|---|---|---|
| Standard Assets | 22,599.04 | 169.80 |
| | (17,952.04) | (254.61) |
| Sub-Standard Assets | 460.59 | 309.20 |
| | (701.92) | (375.37) |
| Doubtful Assets | 21.02 | 18.52 |
| | (32.94) | (26.49) |
| Loss Assets | 0.23 | 0.23 |
| | (2.44) | (2.44) |

**Note**:

a. ECL provisioning for Stage 1,2 of ₹ 169.80 Crores (previous year ₹ 254.61 Crores) consists of interest accrued but not due and Interest overdue of ₹ 20.64 Crores (previous year ₹ 35.26 Crores).

b. Asset classification is as per Reserve Bank of India guidelines and provision is as per Expected Credit Loss methodology as per IND AS which is higher than the minimum required as per prudential norms.

c. Figures in bracket represent previous year's figures.

**(xx)** Schedule to the Balance Sheet as per Para 31 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated February 27, 2025 as may be amended from time to time

**1. Loans and advances availed by the NBFCs inclusive of interest accrued there on but not paid:**

(₹ in Crores)

| Particulars | March 31, 2025 | | | | March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Principal Amount outstanding (net of unamotized expenses) | Interest Accrued but not due | Amount overdue | Total | Principal Amount outstanding (net of unamotized expenses) | Interest Accrued but not due | Amount overdue | Total |
| **Liability side:** | | | | | | | | |
| a) Debentures | | | | | | | | |
| Secured | 8,588.89 | 182.26 | - | **8,771.15** | 3,346.62 | 154.82 | - | **3,501.44** |
| Unsecured (other than falling within the meaning of public deposits) | 1,773.43 | 92.79 | - | **1,866.22** | 1,594.26 | 109.51 | - | **1,703.77** |
| (b) Deferred credits | - | - | - | **-** | - | - | - | **-** |
| (c) (i) Term loans from Banks | 9,069.62 | 36.43 | - | **9,106.05** | 10,268.57 | 43.92 | - | **10,312.49** |
| (ii) Term loans from Financial Institutions | 71.35 | 0.18 | - | **71.53** | 168.93 | 0.69 | - | **169.62** |
| (iii) Term loans from other parties | 427.58 | 6.20 | - | **433.78** | 1,250.94 | 16.44 | - | **1,267.38** |
| (d) Inter–corporate loans and borrowings | - | - | - | **-** | - | - | - | **-** |
| (e) Commercial Paper | 2,588.85 | - | - | **2,588.85** | 839.02 | - | - | **839.02** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | March 31, 2025 | | | | March 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Principal Amount outstanding (net of unamotized expenses) | Interest Accrued but not due | Amount overdue | Total | Principal Amount outstanding (net of unamotized expenses) | Interest Accrued but not due | Amount overdue | Total |
| (f) Other Loans (Overdraft) | 1,344.95 | 0.30 | - | **1,345.25** | 2,083.04 | 0.24 | - | **2,083.28** |
| (g) Securitization | 341.33 | - | - | **341.33** | 133.90 | - | - | **133.90** |
| **Total** | **24,206.00** | **318.16** | **-** | **24,524.16** | **19,685.28** | **325.62** | **-** | **20,010.90** |

**2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid): Not applicable**

**3. Break – up of Loans and Advances including Bills Receivables [Other than included in (4) below]:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Assets side (Gross Value) | | |
| (a) Secured | 15,977.91 | 12,789.64 |
| (b) Unsecured | 7,326.65 | 6,212.08 |
| **Total** | **23,304.56** | **19,001.72** |

**4. Break- up of leased assets and stock on hire and other assets counting towards AFC activities:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (i) Lease assets including lease rentals under sundry debtors | - | - |
| (a) Financial lease | - | - |
| (b) Operating lease | - | - |
| (ii) Stock on hire including hire charges under sundry debtors | - | - |
| (a) Assets on hire | - | - |
| (b) Repossessed Assets | - | - |
| (iii) Other Loans counting towards AFC activities | - | - |
| (a) Loans where assets have been repossessed | - | - |
| (b) Loans other than (a) above | - | - |

**5. Break–up of Investments (Net of provision):**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Current Investments :** | | |
| 1 Quoted : | | |
| (i) Shares: | | |
| (a) Equity | 192.11 | 24.13 |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | 145.71 | 54.72 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (iii) Units of mutual funds | 0.00 | 0.00 |
| (iv) Government Securities | 5.09 | 5.05 |
| (v) Others (Certificate of Deposits) | - | - |
| 2 Unquoted: | | |
| (i) Shares: | | |
| (a) Equity | - | - |
| (b) Preference | - | - |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | - | - |
| **Total (A)** | **342.91** | **83.90** |
| **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) | - | - |
| 2 Unquoted: | | |
| (i) Shares: | | |
| (a) Equity of subsidiary companies | 2,159.89 | 2,107.81 |
| (b) Preference of subsidiary companies | - | - |
| (c) Preference of other companies | - | 40.16 |
| (ii) Debentures and Bonds | - | - |
| (iii) Units of mutual funds | - | - |
| (iv) Government Securities | - | - |
| (v) Others | | |
| (a) Security Receipts | 2,937.53 | 2,911.03 |
| (b) Alternative Investment Funds | 17.24 | 13.68 |
| **Total (B)** | **5,114.66** | **5,072.68** |
| **Grand Total (A+B)** | **5,457.57** | **5,156.58** |

**6. Borrower Group-wise Classification of all assets financed as in (2) and (3) above:**

(₹ in Crores)

| Category | As at March 31,2025 | | | As at March 31,2024 | | |
|---|---|---|---|---|---|---|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| **1. Related Parties** | **-** | **-** | **-** | **-** | **0.01** | **0.01** |
| a) Subsidiaries | - | - | **-** | - | - | **-** |
| b) Companies in the same group | - | - | **-** | - | - | **-** |
| c) Other related parties | - | - | **-** | - | 0.01 | **0.01** |
| **2. Other than related parties** | **15,977.91** | **7,326.65** | **23,304.56** | **12,789.64** | **6,212.07** | **19,001.71** |
| **Total** | **15,977.91** | **7,326.65** | **23,304.56** | **12,789.64** | **6,212.08** | **19,001.72** |

**7. Investor group wise classification of all investments (Current and Long Term) in shares and securities (Both quoted and unquoted) :**

(₹ in Crores)

| Category | As at March 31,2025 | | As at March 31,2024 | |
|---|---|---|---|---|
| | Market Value Breakup or fair value or NAV | Book value (Net of provisions) | Market Value Breakup or fair value or NAV | Book value (Net of provisions) |
| **1 Related Parties** | | | | |
| a) Subsidiaries* | 2,159.89 | 2,159.89 | 2,107.81 | 2,107.81 |
| b) Companies in the same group | - | - | - | - |
| c) Other related parties | - | - | - | - |
| **2 Other than related parties** | **3,891.94** | **3,297.68** | **3,055.86** | **3,048.77** |
| **Total** | **6,051.83** | **5,457.57** | **5,163.67** | **5,156.58** |

* Includes Investments in equity shares of subsidiaries carried at cost.

**8. Other Information:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| (i) Gross Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties* | 481.84 | 737.30 |
| (ii) Net Non-Performing Assets | | |
| (a) Related parties | - | - |
| (b) Other than related parties | 153.88 | 332.99 |
| (iii) Assets acquired in satisfaction of debt (Fair Value) | 739.40 | 164.40 |

* Includes Interest of ₹ 58.15 Crores (previous year ₹ 84.06 Crores)

**(xxi)** Particulars as per RBI Directions for auction details (As required in terms of paragraph 37.4.4 of Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated February 27, 2025 as may be amended from time to time

| Particulars | March 31,2025 | March 31,2024 |
|---|---|---|
| Number of gold loan accounts | 1,22,789 | 83,052 |
| Outstanding amount (₹ Crores) | 685.57 | 443.55 |
| Amount recovered in auction (₹ Crores) | 729.96 | 481.48 |

None of the sister concerns have participated in the above auctions.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

### xxii) Related Party Transactions disclosure:

(₹ in Crores)

| Particulars/ Related Party | Parent (as per ownership or control) | | Subsidiaries | | Associates/ Joint ventures / Group Companies | | Key Management | | Relatives of Director / KMP | | Director | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Borrowings# | NA | NA | 1,535.00 | 2,550.00 | - | 100.00 | - | - | - | - | - | - | - | - | **1,535.00** | **2,650.00** |
| Advances# | | | - | 300.00 | - | 1,225.00 | - | - | - | - | - | - | - | - | **-** | **1,525.00** |
| Investments# | | | 149.73 | 266.22 | - | - | 0.87 | - | 1.22 | - | - | - | - | - | **151.82** | **266.22** |
| Purchase of fixed/other assets | | | 0.21 | 0.49 | 0.19 | 0.33 | - | - | - | - | - | - | - | - | **0.40** | **0.82** |
| Sale of fixed/ other assets | | | 0.21 | 0.08 | 0.11 | 0.09 | - | - | - | - | - | - | - | - | **0.32** | **0.17** |
| Interest paid | | | 20.13 | 28.37 | - | 0.24 | - | - | - | - | - | - | - | - | **20.13** | **28.61** |
| Interest received | | | - | 6.24 | - | 4.32 | - | - | 0.00 | 0.02 | - | - | - | - | **0.00** | **10.58** |
| Others | | | 289.45 | 388.21 | 124.00 | 104.90 | 14.86 | 14.08 | 0.02 | 0.04 | 1.81 | 2.19 | 0.03 | - | **430.16** | **509.42** |
| **Total** | **-** | **-** | **1,994.73** | **3,539.61** | **124.30** | **1,434.88** | **15.73** | **14.08** | **1.24** | **0.06** | **1.81** | **2.19** | **0.03** | **-** | **2,137.83** | **4,990.82** |

### # Closing Balance & Maximum outstanding during the year:

(₹ in Crores)

| Related party | Subsidiaries | | | | Associates/ Joint ventures/Group Companies | | | | Key Management | | | | Relatives of Director / KMP | | | | Director | | | | Others* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Outstanding Balance | | Maximum outstanding | | Outstanding Balance | | Maximum outstanding | | Outstanding Balance | | Maximum outstanding | | Outstanding Balance | | Maximum outstanding | | Outstanding Balance | | Maximum outstanding | | Outstanding Balance | | Maximum outstanding | |
| Item | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Borrowings | - | - | 1,050.00 | 1,300.00 | - | - | - | 100.00 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Advances | - | - | - | 300.00 | - | - | - | 500.00 | - | - | - | - | - | 0.01 | 0.01 | 0.15 | - | - | - | - | - | - | - | - |
| Investments | 2,159.89 | 2,147.97 | 2,159.89 | 2,147.97 | - | - | - | - | - | - | 0.87 | - | - | - | 1.22 | - | - | - | - | - | - | - | - | - |

## 49.UNHEDGED FOREIGN CURRENCY EXPOSURE:

The unhedged foreign currency exposure as on March 31, 2025 is ₹ 2.66 Crores (previous year ₹ 1.87 Crores).

## 50. GOLD LOAN PORTFOLIO

As on March 31, 2025 the gold loan portfolio comprises 43.60 % (previous year 34.92 %) of the total assets of the Company.

## 51. SEGMENT REPORTING

The Company's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Company revolve around the main business. The risk and returns of the business of the Company is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the IND AS 108 on 'Segment Reporting'.

## 52.SHARED SERVICES

The Company operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Company were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## 53.FRAUD

During the year under review, the Company had come across frauds totaling to ₹ 2.55 Crores (previous year ₹ 6.66 Crores) in respect of its lending operations. Out of the above, frauds amounting to ₹ 0.06 Crores (previous year ₹ 0.20 Crores) has already been recovered. Suitable action has been taken by the Company to recover the balance amounts.

## 54.DISCLOSUREOFLOANANDADVANCESPURSUANTTOREGULATION53(F)OFTHESECURITIESANDEXCHANGEBOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

(₹ in Crores)

| Name of Related Party | Outstanding as on March 31, 2025 | Maximum Outstanding during the year |
|---|---|---|
| NIL | | |

(₹ in Crores)

| Name of Related Party | Outstanding as on March 31, 2024 | Maximum Outstanding during the year |
|---|---|---|
| 5paisa Capital Limited | - | 150.00 |
| IIFL Securities Limited | - | 350.00 |
| IIFL Samasta Finance Limited | - | 300.00 |

## 55. PUBLIC DISCLOSURE ON LIQUIDITY RISK:

**(i) Funding Concentration based on significant counterparty (both deposits and borrowings):**

(₹ in Crores)

| Number of Significant Counterparties | Amount* | % of Total Deposits | % of Total Liabilities |
|---|---|---|---|
| 23 | 14,577.46 | NA | 56.93% |
| (19) | (15,059.15) | NA | (68.47%) |

Note 1 : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity.

Note 2 : Figures in bracket represent previous year's figures.

**(ii) Top 20 large deposits :** N.A (N.A)

**(iii) Top 10 borrowings:**

| Particulars | Amount * | % of Total Borrowings |
|---|---|---|
| Top 10 Borrowings (₹ in Crores) | 9,553.73 | 38.96% |
| | (11,634.99) | (58.14%) |

* The above table excludes details of benefeciary holders of the secured medium term note bonds.

Note : Figures in bracket represent previous year's figures.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(iv) Funding Concentration based on significant instrument/product:**

(₹ in Crores)

| Name of the instrument/product | Amount | % of Total Liabilities |
|---|---|---|
| Non Convertible Debentures | 10,637.37 | 41.54% |
| | (6,456.15) | (29.36%) |
| Term Loans | 9,611.66 | 37.53% |
| | (10,498.79) | (47.74%) |
| Securitisation | 341.33 | 1.33% |
| | (133.90) | (0.61%) |
| Commercial Paper | 2,588.85 | 10.11% |
| | (839.02) | (3.82%) |
| Cash Credit / Overdraft Facilties | 1,344.95 | 5.25% |
| | (2,083.04) | (9.47%) |

Note 1 : Total Liabilities represent Total Liabilities as per Balance Sheet less Total Equity

Note 2 : Figures in bracket represent previous year's figures.

**(v) Stock Ratios:**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Commercial papers as a % of total liabilities | 10.35% | 3.87% |
| Commercial papers as a % of total assets | 8.25% | 3.08% |
| Commercial papers as a % of total public funds | 10.80% | 4.25% |
| Non-convertible debentures (original maturity of less than one year) as a % of total liabilities | Nil | Nil |
| Non-convertible debentures (original maturity of less than one year) as a % of total assets | Nil | Nil |
| Non-convertible debentures (original maturity of less than one year) as a % of total public funds | Nil | Nil |
| *Other short-term liabilities as a % of total liabilities | 2.98% | 7.40% |
| *Other short-term liabilities as a % of total assets | 2.38% | 5.90% |
| *Other short-term liabilities as a % of total public funds | 3.11% | 8.14% |

* Short Term liabilities means total of current liabilities as per note 46.1 & 46.2 to the financial statements as reduced by current portion of Debt Securities,Borrowings (other than debt securities) and Subordinated Liabilities.

**(vi) Institutional set-up for Liquidity Risk Management**

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO board meetings are held once in a quarter or more frequently as warranted from time to time.

## 56.DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/170 DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020:

**As on March 31, 2025**

(₹ in Crores)

| 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) | Provision Required as per IRACP norms (6) | Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Principal | Others | Total | Principal | Others | Total | Total | Total | Total |
| **Standard** | Stage 1 | 21,576.15 | 448.88 | **22,025.03** | 113.25 | 16.41 | **129.66** | **21,895.37** | **88.10** | **41.56** |
| | Stage 2 | 546.44 | 27.57 | **574.01** | 35.91 | 4.23 | **40.14** | **533.87** | **2.30** | **37.84** |
| **Subtotal** | | **22,122.59** | **476.45** | **22,599.04** | **149.16** | **20.64** | **169.80** | **22,429.24** | **90.40** | **79.40** |
| **Non Performing Assets (NPA)** | | | | | | | | | | |
| **Substandard (Sub-Total -(A))** | Stage 3 | 410.97 | 49.62 | **460.59** | 259.58 | 49.62 | **309.20** | **151.39** | **44.80** | **264.40** |
| **Doubtful** | | | | | | | | | | |
| Upto 1 Year | Stage 3 | 5.93 | 1.83 | **7.76** | 3.84 | 1.83 | **5.67** | **2.09** | **2.50** | **3.17** |
| 1 to 3 years | Stage 3 | 1.98 | 2.93 | **4.91** | 1.57 | 2.93 | **4.50** | **0.41** | **1.26** | **3.24** |
| More than 3 years | Stage 3 | 4.62 | 3.73 | **8.35** | 4.62 | 3.73 | **8.35** | **-** | **3.12** | **5.23** |
| **Doubtful (Sub-Total -(B))** | | **12.53** | **8.49** | **21.02** | **10.03** | **8.49** | **18.52** | **2.50** | **6.88** | **11.64** |
| **Loss (Sub- Total -(C))** | Stage 3 | 0.19 | 0.04 | **0.23** | 0.19 | 0.04 | **0.23** | **-** | **0.19** | **0.04** |
| **Subtotal of NPA (Sub- Total -(A+B+C))** | | **423.69** | **58.15** | **481.84** | **269.80** | **58.15** | **327.95** | **153.89** | **51.87** | **276.08** |
| Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - | - | **-** | **-** | **-** |
| | Stage 2 | - | - | - | - | - | - | **-** | **-** | **-** |
| | Stage 3 | - | - | - | - | - | - | **-** | **-** | **-** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| 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) | Provision Required as per IRACP norms (6) | Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Principal | Others | Total | Principal | Others | Total | Total | Total | Total |
| **Subtotal** | | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Total** | Stage 1 | 21,576.15 | 448.88 | **22,025.03** | 113.25 | 16.41 | **129.66** | **21,895.37** | **88.10** | **41.56** |
| | Stage 2 | 546.44 | 27.57 | **574.01** | 35.91 | 4.23 | **40.14** | **533.87** | **2.30** | **37.84** |
| | Stage 3 | 423.69 | 58.15 | **481.84** | 269.80 | 58.15 | **327.95** | **153.89** | **51.87** | **276.08** |
| | **Total** | **22,546.28** | **534.60** | **23,080.88** | **418.96** | **78.79** | **497.75** | **22,583.13** | **142.27** | **355.48** |

## 56.DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/170 DOR (NBFC).CC.PD. NO.109/22.10.106/2019-20 DATED MARCH 13, 2020:

**As on March 31, 2024**

(₹ in Crores)

| 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) | Provision Required as per IRACP norms (6) | Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Principal | Others | Total | Principal | Others | Total | Total | Total | Total |
| **Standard** | Stage 1 | 16,049.17 | 604.97 | **16,654.14** | 186.52 | 23.96 | **210.48** | **16,443.66** | **66.62** | **143.86** |
| | Stage 2 | 1,140.00 | 157.90 | **1,297.90** | 32.83 | 11.30 | **44.13** | **1,253.77** | **5.19** | **38.94** |
| **Subtotal** | | **17,189.17** | **762.87** | **17,952.04** | **219.35** | **35.26** | **254.61** | **17,697.43** | **71.81** | **182.80** |
| **Non Performing Assets (NPA)** | | | | | | | | | | |
| **Substandard (Sub-Total -(A))** | Stage 3 | 628.42 | 73.50 | **701.92** | 301.87 | 73.50 | **375.37** | **326.55** | **64.94** | **310.43** |
| **Doubtful** | | | | | | | | | | |
| Upto 1 Year | Stage 3 | 14.41 | 5.19 | **19.60** | 8.53 | 5.19 | **13.72** | **5.88** | **5.84** | **7.88** |
| 1 to 3 years | Stage 3 | 4.24 | 2.11 | **6.35** | 3.67 | 2.11 | **5.78** | **0.57** | **3.49** | **2.29** |
| More than 3 years | Stage 3 | 4.15 | 2.84 | **6.99** | 4.15 | 2.84 | **6.99** | **0.00** | **3.25** | **3.74** |
| **Doubtful (Sub-Total -(B))** | | **22.80** | **10.14** | **32.94** | **16.35** | **10.14** | **26.49** | **6.45** | **12.58** | **13.91** |
| **Loss (Sub- Total -(C))** | Stage 3 | 2.01 | 0.43 | **2.44** | 2.01 | 0.43 | **2.44** | **0.00** | **2.01** | **0.43** |
| **Subtotal of NPA (Sub- Total -(A+B+C))** | | **653.23** | **84.07** | **737.31** | **320.23** | **84.07** | **404.30** | **333.00** | **79.53** | **324.77** |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE 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) | Provision Required as per IRACP norms (6) | Difference between Ind AS 109 provisions and IRACP norms (7)=(4)-(6) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Principal | Others | Total | Principal | Others | Total | Total | Total | Total |
| Other items such as guarantees, loan commitments, ICD's etc, which are in the scope of Ind AS 109 but not covered under current income Recognition, Assets Classifications and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - | - | - | - | - |
| **Subtotal** | | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Total** | Stage 1 | 16,049.17 | 604.97 | **16,654.14** | 186.52 | 23.96 | **210.48** | **16,443.66** | **66.62** | **143.86** |
| | Stage 2 | 1,140.00 | 157.90 | **1,297.90** | 32.83 | 11.30 | **44.13** | **1,253.77** | **5.19** | **38.94** |
| | Stage 3 | 653.23 | 84.07 | **737.31** | 320.23 | 84.07 | **404.30** | **333.00** | **79.53** | **324.77** |
| | **Total** | **17,842.40** | **846.94** | **18,689.35** | **539.58** | **119.32** | **658.91** | **18,030.43** | **151.34** | **507.57** |

**Qualitative Disclosure**

Liquidity Coverage Ratio (LCR) aims to ensure that NBFC's maintains an adequate level of unencumbered High Quality Liquidity Asset (HQLAs) that can be converted into cash to meet liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

The Company has robust liquidity risk management framework in place that ensures sufficient liquidity including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events,including those involving the loss or impairment of both unsecured and secured funding sources. The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold.

HQLA comprises of unencumbered Bank Balances, Cash in Hand and Liquid Investments after appropriate haircut. The Company maintains sufficient balance of Cash and Bank Balance and liquid Investments which can be easily liquidated in times of stress.

Liquidity Coverage Ratio results drive by inflow of next 30 days receivable on loans and advances and corresponding outflow over the next 30 days towards borrowings and other liabilities.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

### 57. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/DOR/2023-24/106 DOR.FIN.REC. NO.45/03.10.119/2023-24 DATED FEB 27, 2025 (THE "NOTIFICATION"), AS UPDATED FROM TIME TO TIME:

**Liquidity Risk Management Framework**

**As on March 31, 2025**

(₹ in Crores)

| Sr. No. | Particulars | As at March 31, 2025 | | As at December 31, 2024 | | As at September 30, 2024 | | As at June 30, 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) |
| **1** | **Total High Quality Liquid Assets (HQLA)** | **713.99** | **713.99** | **427.94** | **427.94** | **704.83** | **704.83** | **684.38** | **684.38** |
| | Cash and Bank Balance | 656.70 | 656.70 | 371.90 | 371.90 | 657.33 | 657.33 | 607.44 | 607.44 |
| | Investments | 57.29 | 57.29 | 56.04 | 56.04 | 47.50 | 47.50 | 76.94 | 76.94 |
| | **Cash Outflows** | | | | | | | | |
| 2 | Deposits (for deposit taking companies) | - | - | - | - | - | - | - | - |
| 3 | Unsecured wholesale funding | 784.37 | 902.03 | 350.11 | 402.63 | 15.07 | 17.33 | 274.73 | 315.93 |
| 4 | Secured wholesale funding | 293.61 | 337.66 | 272.10 | 312.92 | 579.28 | 666.17 | 449.99 | 517.49 |
| 5 | 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 | 75.41 | 86.72 | 128.16 | 147.38 | 272.00 | 312.79 | 60.29 | 69.33 |
| 6 | Other contractual funding obligations | 221.55 | 254.78 | 237.15 | 272.72 | 268.01 | 308.21 | 250.98 | 288.62 |
| **8** | **Total Cash outflows** | **1,374.94** | **1,581.19** | **987.52** | **1,135.65** | **1,134.36** | **1,304.50** | **1,035.99** | **1,191.37** |
| | **Cash Inflows** | | | | | | | | |
| 9 | Secured lending | - | - | - | - | - | - | - | - |
| 10 | Inflows from fully performing exposures | 1,560.34 | 1,170.25 | 1,137.37 | 853.03 | 999.12 | 749.34 | 1,021.49 | 766.12 |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Sr. No. | Particulars | As at March 31, 2025 | | As at December 31, 2024 | | As at September 30, 2024 | | As at June 30, 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) |
| 11 | Other cash inflows | 831.08 | 623.31 | 350.01 | 262.51 | 736.23 | 552.17 | 580.45 | 435.34 |
| **12** | **Total Cash Inflows** | **2,391.42** | **1,793.56** | **1,487.38** | **1,115.54** | **1,735.35** | **1,301.51** | **1,601.94** | **1,201.46** |
| | | | **Total Adjusted Value** | | **Total Adjusted Value** | | **Total Adjusted Value** | | **Total Adjusted Value** |
| 13 | Total HQLA | | 713.99 | | 427.93 | | 704.83 | | 684.39 |
| 14 | Total Net Cash Outflows | | 395.31 | | 283.91 | | 326.12 | | 297.84 |
| 15 | Liquidity Coverage Ratio(%) | | 180.62% | | 150.72% | | 216.12% | | 229.78% |

## 57. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2019-20/88 DOR.NBFC (PD) CC. NO.102/03.10.001/2019-20 DATED NOV 04, 2019:

### Liquidity Risk Management Framework

**As on March 31, 2024**

(₹ in Crores)

| Sr. No. | Particulars | As at March 31, 2024 | | As at December 31, 2023 | | As at September 30, 2023 | | As at June 30, 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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) |
| **1** | **Total High Quality Liquid Assets (HQLA)** | **629.87** | **629.87** | **613.45** | **613.45** | **621.87** | **621.87** | **793.41** | **793.41** |
| | Cash and Bank Balance | 556.67 | 556.67 | 598.32 | 598.32 | 549.44 | 549.44 | 675.30 | 675.30 |
| | Investments | 73.20 | 73.20 | 15.13 | 15.13 | 72.43 | 72.43 | 118.11 | 118.11 |
| | **Cash Outflows** | | | | | | | | |
| 2 | Deposits (for deposit taking companies) | - | - | - | - | - | - | - | - |
| 3 | Unsecured wholesale funding | 431.54 | 496.27 | 89.67 | 103.13 | 65.76 | 75.63 | 3.30 | 3.79 |
| 4 | Secured wholesale funding | 290.58 | 334.16 | 234.94 | 270.18 | 226.55 | 260.53 | 871.20 | 1,001.88 |
| 5 | Additional requirements, of which: | - | - | - | - | - | - | - | - |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Sr. No. | Particulars | As at March 31, 2024 | | As at December 31, 2023 | | As at September 30, 2023 | | As at June 30, 2023 | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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) |
| (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 | 58.34 | 67.10 | 594.24 | 683.37 | 482.75 | 555.16 | 33.55 | 38.59 |
| 6 | Other contractual funding obligations | 357.80 | 411.48 | 1,077.61 | 1,239.25 | 1,116.24 | 1,283.67 | 1,147.73 | 1,319.89 |
| **8** | **Total Cash outflows** | **1,138.26** | **1,308.99** | **1,996.46** | **2,295.93** | **1,891.30** | **2,174.99** | **2,055.78** | **2,364.15** |
| | **Cash Inflows** | | | | | | | | |
| 9 | Secured lending | - | - | - | - | - | - | - | - |
| 10 | Inflows from fully performing exposures | 1,233.02 | 924.77 | 2,036.27 | 1,527.20 | 1,902.09 | 1,426.57 | 1,866.48 | 1,399.86 |
| 11 | Other cash inflows | 3,332.35 | 2,499.27 | 4,238.00 | 3,178.50 | 3,503.69 | 2,627.77 | - | 2,499.27 |
| **12** | **Total Cash Inflows** | **4,565.37** | **3,424.03** | **6,274.27** | **4,705.70** | **5,405.78** | **4,054.34** | **1,866.48** | **3,899.13** |
| | | | **Total Adjusted Value** | | **Total Adjusted Value** | | **Total Adjusted Value** | | **Total Adjusted Value** |
| 13 | Total HQLA | | 629.87 | | 613.45 | | 621.87 | | 793.41 |
| 14 | Total Net Cash Outflows | | 327.25 | | 573.98 | | 543.75 | | 591.04 |
| 15 | Liquidity Coverage Ratio(%) | | 192.47% | | 106.88% | | 114.37% | | 134.24% |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## 58. DISCLOSURE PURSUANT TO (SECURITIZATION OF STANDARD ASSETS) RESERVE BANK OF INDIA CIRCULAR NO./ DIRECTIONS, 2021 RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 - SEPTEMBER 24, 2021

(₹ in Crores)

| Sr. No. | Particulars | As on 31st March 2025 | As on 31st March 2024 |
|---|---|---|---|
| 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) | 1 | 1 |
| 2 | Total amount of securitised assets as per books of the SPEs | 341.33 | 110.45 |
| 3 | Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet | 54.87 | 48.33 |
| | **a) Off-balance sheet exposures** | | |
| | • First loss | - | - |
| | • Others | - | - |
| | **b) On-balance sheet exposures** | | |
| | • First loss | 26.49 | 23.33 |
| | • Others | 28.38 | 25.00 |
| 4 | **Amount of exposures to securitization transactions other than MRR** | | |
| | **a) Off-balance sheet exposures** | | |
| | i) Exposure to own securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | ii) Exposure to third party securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | **b) On-balance sheet exposures** | | |
| | i) Exposure to own securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| | ii) Exposure to third party securitizations | | |
| | • First loss | - | - |
| | • Others | - | - |
| 5 | Sale consideration received for the securitised assets and gain/loss on sale on account of securitization | - | - |
| | Sale consideration received | 350.00 | 308.33 |
| | Gain/loss on sale on account of securitization | - | - |
| 6 | Outstanding value of services provided by way of post-securitization asset servicing. | - | - |
| 7 | Performance of facility provided:- | | |
| | **Credit enhancement** | | |
| | (a) Amount paid | 26.49 | 23.33 |
| | (b) Repayment received | Nil | Nil |
| | (c) Outstanding amount | 26.49 | 23.33 |
| | **% of total value of facility provided** | **7.57%** | **7.57%** |
| 8 | Average default rate of portfolios observed in the past. | Nil | Nil |
| 9 | Amount and number of additional/top up loan given on same underlying asset. | Nil | Nil |
| 10 | Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding | Nil | Nil |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## 59. DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA CIRCULAR NO. RBI/2020-21/16 DOR.NO.BP BC/3/21.04.048/2020-21 DATED AUGUST 06, 2020 ON RESOLUTION FRAMEWORK FOR COVID-19-RELATED STRESS:

**As at March 31, 2025**

(₹ in Crores)

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan | Of (A), aggregate debt that slipped into NPA | Of (A) amount written off | Of (A) amount paid by the borrowers during the half-year ended March 31, 2025 | Exposure to accounts classified as Standard consequent to implementation of resolution plan |
|---|---|---|---|---|---|
| Personal Loans | 0.00 | - | - | - | 0.00 |
| Corporate Loans * | 1.34 | 0.01 | 0.08 | 0.67 | 0.58 |
| of which, MSME's | 1.34 | 0.01 | 0.08 | 0.67 | 0.58 |
| Others | 0.00 | - | - | - | - |
| **Total** | **1.34** | **0.01** | **0.08** | **0.67** | **0.58** |

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**As at March 31, 2024**

(₹ in Crores)

| Type of Borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan | Of (A), aggregate debt that slipped into NPA | Of (A) amount written off | Of (A) amount paid by the borrowers during the half-year ended March 31, 2024 | Exposure to accounts classified as Standard consequent to implementation of resolution plan |
|---|---|---|---|---|---|
| Personal Loans | 0.14 | 0.01 | 0.01 | 0.11 | 0.01 |
| Corporate Loans * | 8.30 | 0.51 | 0.59 | 3.14 | 4.06 |
| of which, MSME's | 8.26 | 0.51 | 0.59 | 3.11 | 4.05 |
| Others | 0.02 | - | 0.00 | 0.02 | 0.00 |
| **Total** | **8.46** | **0.52** | **0.60** | **3.27** | **4.07** |

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

## 60. DISCLOSURE PURSUANT TO (TRANSFER OF LOAN EXPOSURES) RESERVE BANK OF INDIA CIRCULAR NO. RBI/ DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 DATED DECEMBER 28, 2023:

**(a) Details of transferred through assignment in respect of loans not in default:**

**For FY-2024-25**

| Particulars | Direct assignment | PTC |
|---|---|---|
| Count of Loan accounts assigned | 2,03,371 | 20,151 |
| Amount of loan accounts assigned (₹ in Crores) | 3,146.64 | 378.38 |
| Weighted average maturity (in months) | 14 | 21 |
| Weighted average holding period (in months) | 6 | 3 |
| Retention of beneficial economic interest | 10% | 0% |

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

| Particulars | Direct assignment | PTC |
|---|---|---|
| Coverage of tangible security coverage | 100% | 100% |
| Rating-wise distribution of rated loans | Unrated | Rated |
| Break-up of loans transferred / acquired through assignment / novation and loan participation | Assignment deals | Securitisation deal |
| Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty | Nil | Nil |

**For FY-2023-24**

| Particulars | Direct assignment | PTC |
|---|---|---|
| Count of Loan accounts assigned | 9,32,133 | 25,226 |
| Amount of loan accounts assigned (₹ in Crores) | 10,032.57 | 333.33 |
| Weighted average maturity (in months) | 17 | 21 |
| Weighted average holding period (in months) | 3 | 3 |
| Retention of beneficial economic interest | 10% | 0% |
| Coverage of tangible security coverage | 100% | 100% |
| Rating-wise distribution of rated loans | Unrated | Rated |
| Break-up of loans transferred / acquired through assignment / novation and loan participation | Assignment deals | Securitisation deal |
| Instances where we have agreed to replace loans transferred to transferee(s) or pay damages arising out of any representation or warranty | Nil | Nil |

**Details of stressed loans transferred during the year:**

**For FY-2024-25**

(₹ in Crores)

| Particulars | To ARCs | | To permitted transferees | To other transferees |
|---|---|---|---|---|
| | NPA | SMA | | |
| Number of accounts | 24,442 | 5 | - | - |
| Aggregate principal outstanding of loans transferred | 175.66 | 380.98 | - | - |
| Weighted average residual tenor of the loans transferred | 2.35 | 2.35 | - | - |
| Net book value of loans transferred (at the time of transfer) | 91.11 | 417.41 | - | - |
| Aggregate consideration | 685.00 | | - | - |
| Additional consideration realized in respect of accounts transferred in earlier years | - | - | - | - |
| Excess Provision reversed on account of transter | - | - | - | - |

**Note:-** In addition to above, the Company has transferred 12,250 additional loans which have been written off, having an amount outstanding of ₹ 72.91 Cr which were part of above consideration.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**For FY-2023-24**

(₹ in Crores)

| Particulars | To ARCs | | To permitted transferees | To other transferees |
|---|---|---|---|---|
| | NPA | SMA | | |
| Number of accounts | 24,602 | 23 | - | - |
| Aggregate principal outstanding of loans transferred | 106.49 | 1,782.22 | - | - |
| Weighted average residual tenor of the loans transferred | 1.53 | 2.48 | - | - |
| Net book value of loans transferred (at the time of transfer) | 61.60 | 2,085.82 | - | - |
| Aggregate consideration | 2,270.00 | | - | - |
| Additional consideration realized in respect of accounts transferred in earlier years | - | - | - | - |
| Excess Provision reversed on account of transter | - | - | - | - |

Note:- In addition to above, the Company has transferred 66,924 additional loans which have been written off, having an amount outstanding of ₹ 315.10 Crores which were part of above consideration.

**(c) The Company has not acquired any stressed loan during the year and previous year**.

**(d) Details on recovery ratings assigned for Security Receipts (SR)**

**For FY-2024-25**

| Recovery Rating | Anticipated recovery as per recovery rating | Oustanding Face Value (₹ in Crores) |
|---|---|---|
| RR4^ | 25%-50% | 512.84 |
| RR3^ | 50%-75% | 410.52 |
| RR2^ | 75%-100% | 718.30 |
| RR1^ | 100%-150% | 2,035.29 |
| Unrated # | | 24.00 |
| **Total** | | **3,700.95** |

^ Recovery rating is as assigned by external rating agency

# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

**For FY-2023-24**

| Recovery Rating | Anticipated recovery as per recovery rating | Oustanding Face Value (₹ in Crores) |
|---|---|---|
| RR2^ | 75% - 100% | 1,090.43 |
| RR1^ | 100% - 150% | 11.73 |
| Unrated# | | 1,967.61 |
| **Total** | | **3,069.78** |

^ Recovery rating is as assigned by external rating agency

# Pursuant to regulatory norms, the ARC shall obtain initial rating of SRs from an approved credit rating agency within a period of six months from the date of acquisition of assets by it.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## 61. DIVERGENCE IN ASSET CLASSIFICATION AND PROVISIONING

(₹ in Crores)

| Sr | Particulars | Amounts |
|---|---|---|
| 1 | Gross NPAs as on March 31, 2024 as reported by the NBFC | 653.24 |
| 2 | Gross NPAs as on March 31, 2024 as assessed by the Reserve Bank | 1,115.10 |
| 3 | Divergence in Gross NPAs (2-1) | 461.86 |
| 4 | Net NPAs as on March 31, 2024 as reported by the NBFC | 333.00 |
| 5 | Net NPAs as on March 31, 2024 as assessed by the Reserve Bank | 794.86 |
| 6 | Divergence in Net NPAs (5-4) | 461.86 |
| 7 | Provisions for NPAs as on March 31, 2024 as reported by the NBFC | 320.24 |
| 8 | Provisions for NPAs as on March 31, 2024 as assessed by the Reserve Bank | 478.91 |
| 9 | Divergence in provisioning (8-7) | 158.67 |
| 10 | Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2024 | 729.98 |
| 11 | Reported Net Profit after Tax (PAT) for the year ended March 31, 2024 | 584.78 |
| 12 | Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2024 after considering the divergence in provisioning | 426.11 |

## 62. INTRA-GROUP EXPOSURES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total amount of intra-group exposures | 2,441.99 | 2,533.83 |
| Total amount of top 20 intra-group exposures | 2,441.99 | 2,533.83 |
| Percentage of intra-group exposures to total exposure of the NBFC on borrowers/ customers | 10.59% | 13.99% |

**63.** Wherever amount is less than ₹ 0.01 Crores, shown as ₹ 0.00.

**For and on behalf of the Board of Directors**
**of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

# INDEPENDENT AUDITOR'S REPORT

**To,**

**The Members of**

**IIFL Finance Limited**

## Report on the Audit of the Consolidated financial statements.

### Opinion

We have audited the accompanying consolidated financial statements of IIFL Finance Limited (hereinafter referred to as the 'Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group" ), which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies 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 and based on the consideration of reports of other auditors on separate / consolidated financial statements and on the other financial information of the subsidiaries, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of consolidated 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 "Auditors' Responsibilities for the Audit of the consolidated financial statements" section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of Matter

We draw attention to Note 42.3 to the consolidated financial statements, which describe the matter relating to excess remuneration as compared to minimum remuneration specified under Schedule V to the Act, to the extent of Rs. 9.88 crore paid to the Managing Director of the Holding Company as a result of inadequate profit for the year, and subsequent resolution passed by the Board of Directors of the Holding Company ratifying the same. As stated therein, approval by the Board of Directors of the Holding Company is subject to approval by the shareholders of the Holding Company, which is proposed to be taken at the ensuing Annual General Meeting by way of a special resolution. Excess remuneration paid is accounted as expenses for the year and pending the approval, the Managing Director is holding the amount in trust for the Holding Company.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on the separate / consolidated financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2025. 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 / The other auditors of the subsidiaries have determined the matters described below to be the key audit matters.

IIFL FINANCE

# INDEPENDENT AUDITOR'S REPORT

## A. Key audit matters of the Holding Company – IIFL Finance Limited

| Sr. No. | Key Audit Matters | How our audit addressed the Key Audit Matters |
|---|---|---|
| 1 | **Information technology (IT) systems used in financial reporting process.**<br>The Holding Company's operational and financial reporting processes are dependent on IT systems due to large volume of transactions that are processed daily. The gaps in the IT general control environment could result in a misstatement of the financial accounting.<br>Proper IT general and application controls are essential to ensure accurate, complete, and consistent data processing for reliable financial reporting.<br>We therefore identified IT systems and controls with reference to standalone financial statements as a key audit matter for the Holding Company. | We obtained an understanding of the Holding Company's IT control environment relevant to the audit.<br>We tested the design, implementation and operating effectiveness of the Holding Company's General IT controls over the key IT systems which are critical to financial reporting. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:<br>1. We tested the design, implementation, and operating effectiveness of the Holding Company's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Holding Company's controls over segregation of duties and access rights being provisioned / modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.<br>2. We also tested key automated business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to financial statements. Our tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materiality impact the financial statements. |
| 2 | **Allowances for Expected credit loss on Loans ("ECL"):**<br>As on March 31, 2025 as per the standalone financial statements of the Holding Company, the carrying value of the loan assets measured at amortised cost and fair value through other comprehensive income aggregated to Rs. 22,867 crores (net of allowance of expected credit loss of Rs. 437 crores) out of the total assets amounting to Rs. 32,114 crores. Since the loans and advances form a major portion of the Holding Company's assets, and due to the significance of the judgments used in classifying loans and advances into various stages and identifying loans which are measured at fair value through other comprehensive income as stipulated in Ind AS 109 and the management estimation of the related impairment provisions, this is considered to be a key audit matter.<br>The Holding Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors.<br>The most significant areas are:<br>- Segmentation of loan book<br>- Identification of loans to be measured at fair value through other comprehensive income<br>- Determination of exposure at default<br>- Qualitative and quantitative factors used in staging criteria for loans<br>- basis of estimation and calculation of probability of default / Loss given default for each segment<br>- Consideration of probability weighted scenarios and forward looking macro-economic factors<br>The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.<br>Included in Note 38A.3 to the attached consolidated financial statements for disclosures. | Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>1. Evaluating the Holding Company's accounting policies, as approved by their Board of Directors, for impairment of loans.<br>2. Obtained an understanding of the modelling techniques / models adopted by the Holding Company including the key inputs and assumptions.<br>3. We assessed the design and implementation of key internal financial controls with respect to computation of provisioning requirements in terms of RBI guidelines.<br>4. Tested the design and effectiveness of controls related to:<br>▪ The completeness and accuracy of Exposure at Default ("EAD") and the classification of such exposure into stages, as per the Board-approved policy.<br>▪ The accuracy and relevance of information used in estimating Probability of Default ("PD") and Loss Given Default ("LGD").<br>▪ Tested the ECL model, including assumptions, underlying computation of ECL provision performed by the Holding Company on sample basis to assess the arithmetical accuracy.<br>▪ Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates were computed.<br>▪ We also made enquiries with the management in respect of justification and quantum of the management overlay. |

# INDEPENDENT AUDITOR'S REPORT

**B. Key audit matters from consolidated financial statements of IIFL Home Finance Limited ("IHFL") (Subsidiary Company)**

| Sr. No. | Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|---|
| **A** | **Key Audit Matters for Holding Company – IIFL Home Finance Limited** | |
| 1 | **Impairment of loans as at the balance sheet date (including determination of expected credit losses)**<br><br>**(as described in note 3(k) of the attached consolidated financial statements)**<br><br>IHFL provides for impairment of its loans using the Expected Credit Loss ("ECL") model. ECL involves an estimation of probability weighted loss on financial assets over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the IHFL's loans.<br><br>In the process, a significant degree of judgement has been applied by the management for:<br><br>a) Defining qualitative/ quantitative factors for 'significant increase in credit risk' ("SICR") and 'default'.<br><br>b) Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default, loss given default and exposure at default;<br><br>c) Determining effect of less frequent past events on future probability of default.<br><br>d) Determining macro-economic factors impacting credit quality of loans.<br><br>In view of the high degree of management's judgement involved in estimation of ECL, impairment of loans as at the balance sheet date (including expected credit losses) is a key audit matter. | The audit procedures followed by the auditors of IHFL included the following:<br><br>▪ Considered the IHFL's accounting policies for impairment of loans and assessed compliance of the policies with Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to applicable Reserve Bank of India guidelines, ("the RBI Guidelines").<br><br>▪ Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions. Tested the internal controls around extraction, validation and computation of the input data used in such estimation.<br><br>▪ Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days).<br><br>▪ Tested the arithmetical accuracy of computation of ECL provision performed by IHFL.<br><br>▪ Assessed the adequacy of disclosures included in the consolidated financial statements with the relevant requirements of Ind AS 107 and 109. |
| 2 | The auditors of IIFL Home Finance Limited have determined that there are no other key audit matters to communicate in our report. | |
| **B** | **Key Audit Matter for subsidiary company – IIHFL Sales Limited** | |
| 1 | No Key audit matters for subsidiary company IIHFL Sales Limited reported by their auditor for the year ended March 31, 2025. | |

# INDEPENDENT AUDITOR'S REPORT

## C. Key audit matters from the standalone financial statements of IIFL Samasta Finance Limited ("ISFL") (Subsidiary Company)

| Sr. No. | Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|---|
| 1 | **Impairment of loans (Expected Credit Losses):**<br><br>Refer note 3 (k) of material accounting policies of the attached consolidated financial statements.<br><br>As at 31 March 2025 as per the standalone financial statements of the ISFL, it has total gross loan assets of Rs. 7,186.13 crores (2024: Rs. 9,708.70 crores) against which an Expected Credit Loss ("ECL") of Rs. 351.33 crores (2024 Rs. 286.44 crores) has been accrued. Included in note 38A.3 for credit disclosures of the attached consolidated financial statements.<br><br>The ECL approach as required under Ind AS 109, Financial instruments, involves high degree of complexity and requires significant judgement of the management of ISFL.<br><br>The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include:<br><br>1. Categorization of loans in Stage 1, 2 and 3 based on identification of:<br>a) exposures with Significant Increase in Credit Risk ("SICR") since their origination and<br>b) Individually impaired / default exposures.<br><br>2. Techniques used to determine Loss Given Default ("LGD") and Probability of Default ("PD") to calculate an ECL are based on past experience and<br><br>3. The impact of different future macroeconomic conditions in the determination of ECL.<br><br>These parameters are derived from ISFL's internally developed statistical models, historical data and a change in such models or assumptions could have a material impact on the accompanying financial statements.<br><br>These factors required the models to be reassessed based on the available information including the additional risk profiling due to the geographical, political and economic risk to measure the ECL.<br><br>Management of ISFL has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions.<br><br>Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit. | The Audit procedures followed by the auditors of ISFL included, but were not limited to the following to assess the appropriate of management's judgement and estimates used in the impairment analysis:<br><br>a) Evaluated ISFL's accounting policies for estimation of expected credit loss on loan assets in accordance with the requirements of Ind AS 109, Financial Instruments.<br><br>b) Obtained an understanding of the modelling techniques adopted by ISFL including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.<br><br>c) Assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions.<br><br>d) Evaluated the appropriateness of ISFL's process of determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages.<br><br>e) Obtained the approved policy of Board of Directors of ISFL, if any, to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by the RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions.<br><br>f) The company has an automated system of computing ECL. We have tested the system computed ECL by performing following procedures:<br><br>▪ Evaluated management's groupings of borrowers on the basis of different product lines and customer segments with different risk characteristics.<br><br>▪ Tested classification of loans into various categories based on their past due status and other loss indicators. On a sample basis, inspected the repayment schedule from the underlying borrower agreements and collection made on due dates;<br><br>▪ Tested the design and operating effectiveness of key controls (including application controls) over approval, recording and monitoring.<br><br>▪ Testing of Application controls includes testing of automated controls, reports, and system reconciliations.<br><br>▪ Performed test of details of the input information used in ECL computation on a sample basis.<br><br>▪ Tested the arithmetical accuracy of the computation.<br><br>▪ Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management. |

# INDEPENDENT AUDITOR'S REPORT

D. No key audit matters for subsidiary company IIFL Open Fintech Private Limited were reported by their auditor for the year ended March 31, 2025.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, but do not include the consolidated financial statements, standalone financial statements and our auditors' reports 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 do 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements / standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ("The Auditors 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 matter stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective company's to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the respective company or to cease operations, or has no realistic alternative but to do so.

The respective Management or Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective company.

**Auditors' 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 auditors' 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 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 financial controls 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 and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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 entities or business activities within the Group of which we are the independent auditors, 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 such entities 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 been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

**Other Matters**

The consolidated financial statement includes consolidated audited financial statement of one subsidiary and standalone audited financial statements of two subsidiary companies, which have been audited by the other auditors and these statements reflect the total assets of Rs. 37,689.56 Crore as at March 31, 2025, total revenue of Rs. 6,235.01 Crore, total net profit of Rs. 987.71 Crore and total comprehensive income of Rs. 977.50 Crore and net cash outflows Rs. 67.55 Crore for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of

# INDEPENDENT AUDITOR'S REPORT

the other auditors.

The consolidated financial statements includes the comparative financial information for the year ended March 31, 2024 which were audited by one of the joint auditors and one of the predecessor auditors and they have issued unmodified opinion vide their report dated June 15, 2024.

Our opinion is not modified in respect of these other matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate / consolidated financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph, to the extent applicable, we report that:

   a) We/the other auditors whose report we have relied upon 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 by the Holding Company so far as it appears from our examination of those books and reports of other auditors.

   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 Cash Flow Statement 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.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   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 and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **'Annexure'** which is based on the auditors' report of the holding company and subsidiary companies incorporated in India. wherein we have expressed an unmodified opinion.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the remuneration paid to the managing director of the Holding Company is in excess of the limit laid down under section 197 of the Act. In this regard we invite attention to note no 42.3 to the consolidated financial statements and Emphasis of Matter section of this report. In our opinion and based on the consideration of reports of other auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2025 has been paid by the subsidiaries to their directors is in accordance with the provisions of section 197 read with Schedule V to the Act; 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 Auditor's) Rules, 2014, as amended,("The Rules") in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate / consolidated financial statements and the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its consolidated financials statements– Refer Note 39 to the consolidated financial statements.

      ii. Provisions have been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      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 subsidiary companies incorporated in India.

iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their 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 or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries (´Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries- (Refer Note no. 41(iv)(A);

(b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries -(Refer Note no. 41(iv)(B); and

(c) In our opinion and based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the one subsidiary company during the year, is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, during the year the Holding Company and the subsidiaries (other than refer above) which are incorporated in India have not declared / paid any dividend, hence reporting under rule 11(f) of the Rules is not applicable to that extent.

vi. Based on our examination which included test checks, the holding company and based on the consideration of the reports of the other auditors on the consolidated financial statements and / or separate financial statements, as the case may be, of subsidiary companies, the Group has used accounting software for maintaining its books of accounts for the financial year ended March 31, 2025, which has a feature of recording Audit Trail (edit log facility) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and as reported by other auditors of subsidiary companies, did not come across any instance of audit trail feature being tempered with and the audit trail (edit log) has been preserved by the holding company and subsidiary companies (as reported by the other auditors of subsidiary companies) as per the statutory requirements for record retention.

# INDEPENDENT AUDITOR'S REPORT

2. With respect to the matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ( the "Order"/ "CARO" ) issued by Central Government in terms of Section 143(11) of the Act, to be included in the Auditors report, according to the information and explanation given to us, and based on the CARO report issued by us for the Holding Company and by the statutory auditors of the respective subsidiary companies which are companies incorporated in India, included in the consolidated financial statement of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports except for those as stated below:

| Sr | Name | CIN | Relation | Clause (*) |
|---|---|---|---|---|
| 1 | IIFL Finance Limited | L67100MH1995PLC093797 | Holding Company | 3(i)(c)<br>3(iii)(c) & (d)<br>3(vii)(b)<br>3(xi)(a) |
| 2 | IIFL Home Finance Limited | U65993MH2006PLC166475 | Subsidiary | 3(i)(c)<br>3(iii)(c) & (d)<br>3(vii)(a) & (b) |
| 3 | IIHFL Sales Limited | U74999MH2021PLC368361 | Stepdown-Subsidiary | 3(vii)(a) & (b)<br>3(xvii) |
| 4 | IIFL Samasta Finance Limited | U65191KA1995PLC057884 | Subsidiary | 3(iii)(c) & (d)<br>3(xi)(a) |
| 5 | IIFL Open Fintech Private Limited | U72900MH2022PTC382767 | Subsidiary | 3(xvii) |

(*) Clause number of the respective CARO reports which contains qualification or adverse remarks.

**Signed by the Joint Statutory Auditors of the Company**

**For Sharp & Tannan Associates**
**Chartered Accountants**
ICAI Firm Reg. No. 109983W
By the hand of

**Parthiv S. Desai**
**Partner**
Membership No. 042624

Place: Mumbai
Date: May 8, 2025
UDIN: 25042624BMOCYB1113

**For G. M. Kapadia & Co.**
**Chartered Accountants**
ICAI Firm Reg. No. 104767W
By the hand of

**Atul Shah**
**Partner**
Membership No. 039569

Place: Mumbai
Date: May 8, 2025
UDIN: 25039569BMLNCJ1829

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

**Annexure referred to paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements" in our report of even date to the members of IIFL Finance Limited on the consolidated financial statement 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 the IIFL Finance Limited ("Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company.

In our opinion and based on the consideration of the audit reports of the auditors of subsidiary companies, the Holding Company and its subsidiary companies which are companies incorporated in India, (the Holding Company and its subsidiaries together referred to as "the Group" ), have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such controls were operating effectively as at March 31, 2025, based on the criteria for internal financial controls with reference to consolidated financial statements established by the respective Companies 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").

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal financial controls over financial reporting criteria established by the respective Companies 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 the respective 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 for the Audit of the Internal Financial Controls with reference to consolidated financial statements

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Group, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. 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 were 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 includes obtaining an understanding of such internal financial controls, 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of Group.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial controls 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 controls 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 and dispositions of the

# ANNEXURE –A
## TO THE INDEPENDENT AUDITOR'S REPORT

assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations 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.

**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 controls 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.

**Other Matter**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statement, in so far as it relates to the consolidated financial statement of one subsidiary and separate financial statements of two subsidiaries incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

**Signed by the Joint Statutory Auditors of the Company**

**For Sharp & Tannan Associates**
**Chartered Accountants**
ICAI Firm Reg. No. 109983W
By the hand of

**Parthiv S. Desai**
**Partner**
Membership No. 042624

Place: Mumbai
Date: May 8, 2025
UDIN: 25042624BMOCYB1113

**For G. M. Kapadia & Co.**
**Chartered Accountants**
ICAI Firm Reg. No. 104767W
By the hand of

**Atul Shah**
**Partner**
Membership No. 039569

Place: Mumbai
Date: May 8, 2025
UDIN: 25039569BMLNCJ1829

IIFL FINANCE

# CONSOLIDATED BALANCE SHEET
## AS AT MARCH 31, 2025

(₹ in Crores)

| Particulars | Note no. | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Assets** | | | |
| **[1] Financial assets** | | | |
| (a) Cash and cash equivalents | 4 | 2,066.63 | 2,469.87 |
| (b) Bank balance other than (a) above | 5 | 2,125.15 | 1,775.85 |
| (c) Derivative financial instruments | 6 | 50.25 | 157.69 |
| (d) Receivables | | | |
| (i) Trade receivables | 7 | 107.53 | 102.42 |
| (ii) Other receivables | 7 | - | 29.65 |
| (e) Loans | 8 | 55,364.26 | 50,952.32 |
| (f) Investments | 9 | 4,437.99 | 4,058.98 |
| (g) Other financial assets | 10 | 1,142.97 | 1,420.77 |
| | | **65,294.78** | **60,967.55** |
| **[2] Non-financial assets** | | | |
| (a) Current tax assets (net) | | 269.19 | 197.70 |
| (b) Deferred tax assets (net) | 11 | 385.41 | 151.79 |
| (c) Investment property | 12 | 870.76 | 295.90 |
| (d) Property, plant and equipment | 13 | 162.66 | 168.47 |
| (e) Capital work-in-progress | 14.1 | 22.29 | 51.83 |
| (f) Intangible assets under development | 14.2 | 0.99 | 0.50 |
| (g) Right to use assets | 15 | 445.53 | 436.11 |
| (h) Other intangible assets | 16 | 7.59 | 4.68 |
| (i) Other non-financial assets | 17 | 184.99 | 129.83 |
| | | **2,349.41** | **1,436.81** |
| **Total assets** | | **67,644.19** | **62,404.36** |
| **Liabilities and equity** | | | |
| **Liabilities** | | | |
| **[1] Financial liabilities** | | | |
| (a) Derivative financial instruments | 6 | 110.90 | 33.53 |
| (b) Payables | | | |
| (I) Trade payables | 18 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 10.39 | 8.84 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 175.25 | 198.04 |
| (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 | | 34.28 | - |
| (c) Finance lease obligation | 15 | 465.33 | 461.50 |
| (d) Debt securities | 19 | 16,772.24 | 9,137.47 |
| (e) Borrowings (other than debt securities) | 20 | 31,058.60 | 34,098.20 |
| (f) Subordinated liabilities | 21 | 3,237.19 | 3,438.53 |
| (g) Other financial liabilities | 22 | 1,467.58 | 2,659.32 |
| | | **53,331.76** | **50,035.43** |
| **[2] Non-financial liabilities** | | | |
| (a) Current tax liabilities (net) | | 10.53 | 7.68 |
| (b) Provisions | 23 | 122.68 | 91.81 |
| (c) Deferred tax liabilities (net) | 11 | - | 1.21 |
| (d) Other non-financial liabilities | 24 | 224.25 | 211.79 |
| | | **357.46** | **312.49** |
| **Total liabilities** | | **53,689.22** | **50,347.92** |
| **[3] Equity** | | | |
| (a) Equity share capital | 25 | 84.90 | 76.31 |
| (b) Other equity | 25.1 | 12,327.29 | 10,560.68 |
| (c) Non-controlling interest | 25.1 | 1,542.78 | 1,419.45 |
| | | **13,954.97** | **12,056.44** |
| **Total liabilities and equity** | | **67,644.19** | **62,404.36** |
| See accompanying notes forming part of the financial statements | 1 - 51 | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors**
**of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary &
Compliance Officer

Place : Mumbai
Dated: May 08, 2025

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS
## FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Particulars | Note no. | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|---|---|---|
| **Revenue from operations** | | | |
| (i) Interest income | 26.1 | 9,504.29 | 9,838.63 |
| (ii) Dividend income | 26.2 | 2.19 | 0.06 |
| (iii) Fees and commission income | 27 | 485.64 | 411.07 |
| (iv) Net gain on fair value changes | 28 | 218.78 | - |
| **(I) Total revenue from operations** | | **10,210.90** | **10,249.76** |
| **(II)** Other income | 29 | 26.17 | 240.71 |
| **(III) Total income (I+II)** | | **10,237.07** | **10,490.47** |
| **Expenses** | | | |
| (i) Finance costs | 30 | 4,169.52 | 3,867.78 |
| (ii) Net loss on fair value changes | 28 | - | 196.01 |
| (iii) Net loss on derecognition of financial instruments under FVTOCI category | 31 | 312.56 | 136.79 |
| (iv) Impairment on financial instruments | 32 | 1,498.04 | 911.29 |
| (v) Employee benefits expenses | 33 | 1,888.77 | 1,684.85 |
| (vi) Depreciation, amortization and impairment | 34 | 188.57 | 180.82 |
| (vii) Others expenses | 35 | 886.10 | 941.02 |
| **(IV) Total expenses** | | **8,943.56** | **7,918.56** |
| **(V) Profit before exceptional items and tax (III-IV)** | | **1,293.51** | **2,571.91** |
| **(VI)** Exceptional items | 9 | (586.50) | - |
| **(VII) Profit before tax (V+VI)** | | **707.01** | **2,571.91** |
| **Tax expense:** | | | |
| (1) Current tax | 36 | 365.76 | 610.57 |
| (2) Deferred tax | 11 & 36 | (230.36) | (10.48) |
| (3) Current tax relating to previous years | 36 | (6.55) | (2.40) |
| **(VIII) Total tax expense** | | **128.85** | **597.69** |
| **(IX) Profit for the year (VII-VIII)** | | **578.16** | **1,974.22** |
| Attributable to: | | | |
| Owners of the Company | | 378.77 | 1,763.54 |
| Non-controlling interest | | 199.39 | 210.68 |
| **Other comprehensive income** | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | |
| (a) Remeasurement of defined benefit (liabilities)/assets | 36 | (3.69) | (6.58) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 11 & 36 | 0.93 | 1.66 |
| **Subtotal (A)** | | **(2.76)** | **(4.92)** |
| (B) (i) Items that will be reclassified to profit or loss | | | |
| (a) Cash flow hedge (net) | 36 | (8.04) | (14.96) |
| (b) Fair value of loans carried at FVTOCI | 36 | (6.01) | (1.59) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | 11 & 36 | 3.54 | 4.17 |
| **Subtotal (B)** | | **(10.51)** | **(12.38)** |
| **(X) Other comprehensive income (A+B)** | | **(13.27)** | **(17.30)** |
| **(XI) Total comprehensive income for the year (IX + X)** | | **564.89** | **1,956.92** |
| Attributable to: | | | |
| Owners of the Company | | 367.54 | 1,747.77 |
| Non-controlling interest | | 197.35 | 209.15 |
| **(XII) Earnings per equity share of face value ₹ 2 each** | 37 | | |
| Basic (₹) | | 9.07 | 46.29 |
| Diluted (₹) | | 8.73 | 45.71 |
| See accompanying notes forming part of the financial statements | 1 - 51 | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

IIFL FINANCE

# CONSOLIDATED STATEMENT OF CASH FLOW
**AS AT MARCH 31, 2025**

(₹ in Crores)

| Particulars | Note no. | Year ended March 31, 2025 | | Year ended March 31, 2024 | |
|---|---|---|---|---|---|
| **A CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| **Profit before tax** | | | **707.01** | | **2,571.91** |
| **Adjustments for:** | | | | | |
| Depreciation, amortization and impairment | 34 | 188.57 | | 180.82 | |
| Impairment on loans | | (10.53) | | (7.13) | |
| Impairment on other financial instruments | | (11.09) | | 7.30 | |
| (Gain)/ loss on sale of assets | | (0.06) | | (18.13) | |
| Net (gain)/ loss on fair value changes on investment - realized | | (241.22) | | (73.38) | |
| Net (gain)/ loss on fair value changes on investment - unrealized | | 15.51 | | 254.26 | |
| Net (gain)/ loss on fair value changes on derivative - unrealized | | 6.93 | | 15.13 | |
| Exceptional items | | 586.50 | | - | |
| Net (gain)/ loss on derecognition of financial instruments under FVTOCI category | | 312.56 | | 136.79 | |
| Employee benefit expenses - share based | | 108.47 | | 59.62 | |
| Employee benefit expenses - others | | 31.40 | | 29.41 | |
| Interest on loans | | (9,151.92) | | (9,431.92) | |
| Interest on deposits with banks | 26.1 | (133.68) | | (155.35) | |
| Dividend income | 26.2 | (2.19) | | (0.06) | |
| Dividend received | | 2.19 | | 0.06 | |
| Finance cost | | 4,123.10 | | 3,828.43 | |
| Interest expenses - Ind AS 116 | 30 | 48.04 | | 39.35 | |
| Income received on loans | | 9,149.92 | | 9,440.11 | |
| Interest received on deposits with banks | | 135.03 | | 162.61 | |
| Finance cost paid | | (4,243.90) | 913.63 | (3,939.61) | 528.31 |
| **Operating profit before working capital changes** | | | **1,620.64** | | **3,100.22** |
| Decrease/ (increase) in financial and non financial assets | | | 186.05 | | 891.52 |
| Increase/ (decrease) in financial and non financial liabilities | | | (1,176.73) | | (322.07) |
| **Cash generated from operations** | | | **629.96** | | **3,669.67** |
| Taxes paid | | | (436.38) | | (716.32) |
| **Net cash generated from operating activities** | | | **193.58** | | **2,953.35** |
| Loans disbursed (net) | | | (4,974.41) | | (11,669.18) |
| **Net cash used in operating activities (A)** | | | **(4,780.83)** | | **(8,715.83)** |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Purchase of property, plant and equipment and other intangible assets | | | (60.70) | | (130.43) |
| Sale of property, plant and equipment and non curent assets held for sale | | | 2.48 | | 42.73 |
| Purchase of investments | | | (739.79) | | 130.02 |
| Proceeds/(deposits) from maturity of deposits placed with banks | | | (350.65) | | 425.24 |
| **Net cash used in investing activities (B)** | | | **(1,148.66)** | | **467.56** |

# CONSOLIDATED STATEMENT OF CASH FLOW
**AS AT MARCH 31, 2025**

(₹ in Crores)

| Particulars | Note no. | Year ended March 31, 2025 | | Year ended March 31, 2024 | |
|---|---|---|---|---|---|
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Proceeds from issue of equity share capital | | | 1,281.63 | | 19.93 |
| Proceeds from debt securities | | | 13,931.52 | | 7,236.34 |
| Repayment of debt securities | | | (6,206.95) | | (5,975.04) |
| Proceeds from borrowings (other than debt securities) | | | 24,757.76 | | 32,013.24 |
| Repayment of borrowings (other than debt securities) | | | (27,836.36) | | (26,291.82) |
| Proceeds from subordinated liabilities | | | 225.62 | | 432.00 |
| Repayment of subordinated liabilities | | | (411.94) | | (205.83) |
| Payment of lease liability | | | (162.95) | | (140.83) |
| Payment to non-controlling interest | | | (52.08) | | - |
| **Net cash generated from financing activities (C)** | | | **5,526.25** | | **7,087.99** |
| **Net increase in cash and cash equivalents ( A + B + C )** | | | **(403.24)** | | **(1,160.28)** |
| **Add : Opening cash and cash equivalents as at the beginning of the year** | | | 2,469.87 | | 3,630.15 |
| **Cash and cash equivalents as at the end of the year** | 4 | | **2,066.63** | | **2,469.87** |
| See accompanying notes forming part of the financial statements | 1 - 51 | | | | |

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

Place : Mumbai
Dated: May 08, 2025

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary &
Compliance Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2025

### A. Equity Share Capital (refer note 25)

(₹ in Crores)

| Particulars | Balance at the beginning of the reporting year | Changes in equity share capital during the year | Balance at the end of the reporting year |
|---|---|---|---|
| As at March 31, 2025 | 76.31 | 8.59 | 84.90 |
| As at March 31, 2024 | 76.09 | 0.22 | 76.31 |

### B. Other Equity (refer note 25.1)

(₹ in Crores)

| Particulars | Share Application Money (Note 1) | Reserves & Surplus | | | | | | | | | Other Comprehensive Income | | | Total | Non-Controlling Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capital Reserve (Note 2) | Securities Premium Reserve ( Note 3) | General Reserve (Note 4) | Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934 (Note 5) | Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987 (Note 6) | Capital Redemption Reserve (Note 7) | Debenture Redemption Reserve (Note 8) | Retained Earnings (Note 9) | Share Options Outstanding Account (Note 10) | Effective portion of Cash Flow Hedges (Note 11) | Fair value of loans carried at FVTOCI | Remeasurements of defined benefit (Note 12) | | |
| **Balance as at April 01, 2023** | **-** | **85.49** | **3,427.32** | **624.95** | **1,032.11** | **468.68** | **230.11** | **12.80** | **3,026.10** | **9.65** | **(4.63)** | **9.09** | **(5.70)** | **8,915.97** | **1,210.08** |
| Profit for the year | - | - | - | - | - | - | - | - | 1,763.54 | - | - | - | - | 1,763.54 | 210.68 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | (9.71) | (1.27) | (4.79) | (15.77) | (1.53) |
| Interim dividend | - | - | - | - | - | - | - | - | (182.24) | - | - | - | - | (182.24) | - |
| Change in minority | - | - | - | - | - | - | - | - | (0.22) | - | - | - | - | (0.22) | 0.22 |
| Transfer to/ from reserves | - | - | 4.39 | (0.45) | 217.19 | 205.40 | - | - | (422.59) | (3.94) | - | - | - | 0.00 | - |
| Addition during the year | 0.49 | - | 19.20 | - | - | - | - | - | - | 59.71 | - | - | - | 79.40 | - |
| **Balance as at March 31, 2024** | **0.49** | **85.49** | **3,450.91** | **624.50** | **1,249.30** | **674.08** | **230.11** | **12.80** | **4,184.59** | **65.42** | **(14.34)** | **7.82** | **(10.49)** | **10,560.68** | **1,419.45** |
| Profit for the year | - | - | - | - | - | - | - | - | 378.77 | - | - | - | - | 378.77 | 199.39 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | (5.04) | (3.58) | (2.61) | (11.23) | (2.04) |
| Change in minority | - | 24.62 | - | - | - | - | - | - | (2.69) | - | - | - | - | 21.93 | (74.02) |
| Share issue expenses | - | - | (4.50) | - | - | - | - | - | - | - | - | - | - | (4.50) | - |
| Transfer to/ from reserves | - | - | 2.22 | 4.91 | 4.04 | 200.00 | - | - | (204.04) | (7.13) | - | - | - | (0.00) | - |
| Addition during the year | (0.26) | - | 1,273.29 | - | - | - | - | - | - | 108.61 | - | - | - | 1,381.64 | - |
| **Balance as at March 31, 2025** | **0.23** | **110.11** | **4,721.92** | **629.41** | **1,253.34** | **874.08** | **230.11** | **12.80** | **4,356.63** | **166.90** | **(19.38)** | **4.24** | **(13.10)** | **12,327.29** | **1,542.78** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED MARCH 31, 2025

**Notes:**

1. **Share application money pending allotment:** Money received for share application for which allotment is pending.
2. **Capital reserves:** Capital reserve is created on account of composite Scheme of arrangement.
3. **Securities premium reserve:** The amount received in excess of face value of the equity shares is recognized in securities premium reserve. Share issue expense on account of right issue during the year have been utilized from the secutities premium reserve.
4. **General reserve:** The reserve can be distributed/utilized by the Group, in accordance with the Companies Act, 2013
5. **Special reserve:** Pursuant to section 45-IC of the Reserve Bank of India Act 1934, being 20% of the profit after tax for the year of IIFL Finance Limited and IIFL Samasta Finance Limited has been transferred from Retained Earnings to Special Reserve.
6. **Special reserve:** Pursuant to section 29C of the National Housing Bank Act, 1987 the Housing Finance Company ("HFC") is required to transfer atleast 20% of its net profit every year to a reserve before any dividend is declared.
7. **Capital redemption reserve:** This reserve has been created on redemption of preference shares capital as per section 55 of the Companies Act, 2013.
8. **Debenture redemption reserve:** Pursuant to Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, Non Banking Finance Company ("NBFC") and Housing Finance Company ("HFC") are required to create Debenture Redemption Reserve of a value equivalent to 25% of the debentures offered through public issue. Pursuant to Ministry of Corporate Affairs circular dated August 16, 2019, reserve is not required to be created for the Non Convertible Debentures going forward.
9. **Retained earnings:** These are the profits that the Group has earned till date, less any transfers to Statutory Reserve, Debenture Redemption Reserve, General Reserve, Dividend distribution and capital redemption reserve.
10. **Share options outstanding account:** The employee stock options reserve represents reserve in respect of equity settled share options granted to the employees of the Company and its Group in pursuance of employee stock options plan.
11. **Effective portion of cash flow hedges:** This reserve refers to changes in the fair value of Derivative Financial Contracts which are designated as effective Cash Flow Hedge.
12. **Remeasurements of defined benefit:** This reserve refers to remeasurement of gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets of the defined benefit plan.

See accompanying notes forming part of the financial statements (1 - 51)

In terms of our report attached of even date

**For Sharp & Tannan Associates**
**Chartered Accountants**
Firm Registration No. 109983W
By the hand of

**Parthiv S. Desai**
Partner
Membership No. 042624

**For G. M. Kapadia & Co.**
**Chartered Accountants**
Firm Registration No. 104767W
By the hand of

**Atul Shah**
Partner
Membership No. 039569

**For and on behalf of the Board of Directors**
**of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

Place : Mumbai
Dated: May 08, 2025

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary &
Compliance Officer

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 1. CORPORATE INFORMATION

### Company overview

IIFL Finance Limited (the "Company/ Parent/ Holding Company") is a middle layer Non-Banking Financial Company not accepting public deposits registered with the Reserve Bank of India ("the RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in financing and related activities. The Company had received the certificate of registration from RBI on March 06, 2020, enabling the Company to carry on business as a Non-Banking Financial Company. The Company offers a broad suite of financial products such as mortgage loan, gold loan, loan against securities loans to small & medium enterprise ("SME"), Micro finance loans ("MFI") and digital finance loans etc.

## NOTE 2. BASIS OF CONSOLIDATION

### i. Basis of preparation of financial statements

The consolidated financial statements relate to IIFL Finance Limited (the "Company") and its subsidiary/ group companies (together hereinafter referred to as "Group"). The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Control is achieved when the Group has:

- Power over the investee,
- Is exposed or has rights to variable returns from its involvement with the investee, and
- Has the ability to use its power over investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

### ii. Principles of consolidation:

a) The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and relevant amendment rules issued thereafter ("Ind AS") on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained below, the relevant provisions of the Companies Act, 2013 (the "Act") and the guidelines issued by the Reserve Bank of India ("RBI") and National Housing Bank ("NHB") to the extent applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted)

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

in active markets for identical assets or liabilities that the Group can access at measurement date;

- Level 2 inputs are inputs, other than quoted prices included within level 1, (that are not traded in active market) that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

b) The effects of all intra-Group transactions and balances have been eliminated on consolidation.

c) The consolidated financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Group, March 31, 2025.

d) The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

e) Business combinations: Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired, and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired, and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies.

f) Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured in accordance with Ind AS 103 – Business Combinations.

Goodwill is considered to have indefinite useful life and hence is not subject to amortization but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment.

Any impairment loss on goodwill is recognized in the Statement of Profit and Loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

For the purpose of impairment testing, goodwill acquired in a business combination, is from the acquisition date.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Other equity', in the consolidated financial statements. Goodwill/ Capital reserve has been netted off and disclosed in the consolidated financial statements. Goodwill arising on consolidation is not amortized but tested for impairment.

g) Non-controlling Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit and loss/ other comprehensive income ("OCI") for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit after tax/ other comprehensive income ("OCI") of the Group in order to arrive at the income attributable to shareholders of the Group.

h) Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company and to the non-controlling interests, if any.

### iii. List of subsidiaries consolidated

The individual Balance Sheet as at March 31, 2025, Statement of Profit and Loss and cash flow statement for the year ended March 31, 2025 of following subsidiaries are included in consolidation:

| Name of the entity | Relationship | Country of Incorporation | % of holding and voting power either directly or indirectly through subsidiary | |
|---|---|---|---|---|
| | | | As at March 31, 2025 | As at March 31, 2024 |
| IIFL Home Finance Limited (HFC) (Consolidated) | Direct Subsidiary | India | 79.59% | 79.59% |
| IIFL Samasta Finance Limited (Samasta) | Direct Subsidiary | India | 99.56% | 99.56% |
| IFL Open Fintech Private Limited | Direct Subsidiary | India | 100.00% | 51.02% |

### iv. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements, and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The Financial Statements are presented in Indian rupees which is determined to be functional currency of the Group and the currency of primary economic environment in which the Group operates.

### v. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Act and the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with the applicable guidelines issued by Reserve Bank of India ("RBI") and National Housing Bank ("NHB"). In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India ("ICAI") are also applied except where compliance with other statutory promulgations require a different treatment.

### vi. Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Act applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the consolidated Financial Statements along with the other notes required to be disclosed under the notified Accounting Standards and regulations issued by the RBI and NHB.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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## Note 3. MATERIAL ACCOUNTING POLICIES

### (a) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

**i. Interest income and dividend income**

Interest income on financial instruments at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

Interest income on Direct assignment pool is recognized on time proportion basis net off amount payable to assignees.

Interest on financial instruments measured at fair value is included within the fair value movement during the period.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The future cash flows are estimated considering all the behavioural pattern and contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Statement of Profit and Loss at initial recognition.

Additional Interest are recognized as income only when revenue is virtually certain which generally coincides with receipts.

Dividend is recognized as income when the right to receive is established.

**ii. Fees and charges**

Fees and charges include fees other than those that are an integral part of EIR. The fees included in this part of the Group's Statement of Profit and Loss include, among other things, fees charged for servicing a loan. Fees and charges are recognized as income only when revenue is virtually certain which generally coincides with receipts.

Cheque bounce charges, late payment charges and foreclosure charges are recognized on a point- in- time basis and are recorded when realized.

Fee and commission expenses with regards to services are accounted for as and when the services are delivered.

**iii. Income from financial instruments at FVTPL**

Income from financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL.

**iv. Assignment transactions**

In accordance with Ind AS 109, in case of assignment transactions with complete transfer of risks and rewards without any retention of residual interest, gain arising on such assignment transactions is recorded upfront in the Statement of Profit and Loss and the corresponding asset is derecognized from the Balance Sheet immediately upon execution of such transaction. Further, the transfer of financial assets qualifies for derecognition in its entirety, the whole of the interest spread at its present value (discounted over the life of the asset) is recognized on the date of derecognition itself as interest only strip receivable (interest strip on assignment) and correspondingly recognized as profit on derecognition of financial asset.

**v. Securitization transactions**

In accordance with Ind AS 109, in case of securitization transactions, the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralized borrowing for the proceeds received.

**vi. Other operational revenue**

Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

### (b) Property, plant and equipment ("PPE")

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax, if any, less accumulated depreciation. Cost includes professional fees related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is charged using the straight-line method, based on the useful life of PPE as estimated by the Management, as specified below. Depreciation is charged from the month in which new assets are ready to use. No depreciation is charged from the month in which assets are sold. In case of transfer of used PPE from group companies, depreciation is charged over the remaining useful life of the asset. Individual assets / group of similar assets costing up to ₹ 5,000 have been depreciated in full in the year of purchase. Leasehold land is depreciated on a straight-line basis over the leasehold period.

**The estimated useful life of assets is as under:**

| Class of assets | Useful life |
|---|---|
| Buildings | 20 years |
| Computers | 3 years |
| Office equipment | 5 years |
| Plant and Equipment | 5 years |
| Furniture and fixtures | 5 years |
| Vehicles | 5 years |

For above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

An item of PPE is derecognized 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 is determined as the difference between the sales proceeds and the carrying amount net of accumulated depreciation of the asset and is recognized in the Statement of Profit and Loss.

**Capital work in progress**

Projects under which PPE are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, and are disclosed as "capital work-in-progress".

### (c) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax, less accumulated amortization and cumulative impairment.

Intangible assets i.e., Software are amortized on straight-line basis over the estimated useful life of 3 years. Amortization on impaired assets is provided by adjusting the amortization charge in the remaining periods so as to allocate the assets revised carrying amount over its remaining useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation of the asset are recognized in the Statement of Profit and Loss when the asset is derecognized.

**Intangible assets under development**

Intangible assets not ready for their intended use on the Balance Sheet date are disclosed as "Intangible assets under development".

### (d) Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount net of accumulated depreciation

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of the asset) is included in Statement of Profit and Loss in the period in which the Investment property is derecognized.

Freehold land and properties under construction are not depreciated.

### (e) Non-current Assets held for Sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

### (f) Impairment of assets

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, intangible assets and investment property assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, intangible assets and investment property are tested for impairment so as to determine the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognized immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

### (g) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services 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 equity.

Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme

### (h) Employee benefits

Defined contribution plans

The Group's contribution towards Provident Fund and Family Pension Fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees and are accounted for on an accrual basis and recognized in the Statement of Profit and loss.

Defined benefit plans

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences.

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling

(if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long-term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognized in a similar manner as in the case of defined benefit plan above.

**(i) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e., average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

**(j) Taxes on income**

Current tax

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

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans and the reversal of temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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For transactions and other events recognized in profit or loss, any related tax effects are also recognized in profit or loss. For transactions and other events recognized outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognized outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off assets against liabilities, representing current tax and where the deferred tax assets and deferred tax liabilities relates to taxes on income levied by the same governing taxation laws.

Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## (k) Financial instruments

Financial assets and financial liabilities are recognized in the Group's Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in the Statement of Profit and Loss.

### Financial assets

Classification and measurement

The Group classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial instruments measured at amortized cost

Debt instruments that meet the following criteria are measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. The principal amount may change over the life of the financial asset (e.g., if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Debt instruments that are subsequently measured at

amortized cost are subject to impairment.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments that meet the following criteria are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in Statement of profit and loss for FVTOCI debt instruments. Other changes in fair value of FVTOCI financial assets are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously accumulated in reserve is transferred to Statement of Profit and Loss.

Financial instruments measured at fair value through Profit and Loss ("FVTPL")

All financial assets are recognized initially at fair value plus transaction cost attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Instruments that do not meet the amortized cost or FVTOCI criteria are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in the Statement of Profit and Loss. The gain or loss on disposal is recognized in the Statement of Profit and Loss.

Interest income is recognized in the Statement of Profit and Loss for FVTPL debt instruments.

Dividend on financial assets at FVTPL is recognized when the Group's right to receive dividend is established.

Investments in equity instruments at FVTOCI

On initial recognition, the Group makes an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends from these investments are recognized in the Statement of Profit and Loss when the Group's right to receive dividends is established.

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

Impairment of financial assets

Group recognizes loss allowances using the Expected Credit Loss ("ECL") model for the financial assets which are not fair valued through profit and loss. ECL is calculated using a model which captures portfolio performance over a period of time. ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original EIR. Vintage loss curve model is used for ECL computation of retail portfolio which involves assessment of performance of segmented portfolio over a time period. The model tracks month-wise losses during the loan tenor. Vintage loss rate models provide a simple, reasonable model for both one-year and lifetime expected credit loss forecasts. For wholesale portfolio, ECL computation is done for each loan account based on CRISIL default study and International Review Board ("IRB") guidelines.

ECL is measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., ECL that result from those

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default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or

- full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Key elements of ECL computation are outlined below:

- Probability of default ("PD") is an estimate of the likelihood that customer will default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Loss given default ("LGD") estimates the normalized loss which Group incurs post customer default. It is usually expressed as a percentage of the Exposure at default ("EAD").
- Effective interest rate ("EIR") is the rate that discounts estimated future cash flows through the expected life of financial instrument. For calculating EIR any upfront fees need to be excluded from the loans and advance amount.

Credit impaired financial assets

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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer,
- a breach of contract such as a default or past due event,
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider,
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

Default considered for computation of ECL computation is as per the applicable prudential regulatory norms.

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date

when the financial instrument was first recognized. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's expert credit assessment.

Modification and derecognition 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. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g., a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified, the Group considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest.

In the case where the financial asset is derecognized, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/ loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

**Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire

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(including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Statement of Profit and Loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Statement of Profit and Loss.

**Write-off**

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

**Financial liabilities and equity Instruments**

Debt and equity instruments that are issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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 are recognized at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (e.g., convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain/loss is recognized in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible notes using the effective interest rate method.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

The effective interest rate method is a method of

calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

**(l) Cash and bank balances**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

**(m) Goods and service tax input credit**

Goods and service tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/ utilising the credits.

**(n) Borrowing costs**

Borrowing costs include interest expense calculated using the EIR method.

**(o) Foreign currencies**

In preparing the consolidated financial statements of, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

**(p) Segment reporting**

The Group's primary business segments are reflected based on the principal business carried out i.e., financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments.

**(q) Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**Onerous contracts**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events when no reliable estimate is possible.

Contingent liabilities are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

## (r) Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for,

b) Funding related commitment to associate and joint venture companies; and

c) Other non-cancellable commitments, if any.

## (s) Statement of cash flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables transactions of a non-cash nature,
- non-cash items such as depreciation, provisions, deferred taxes and unrealized foreign currency gains and losses,
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of balance sheet.

## (t) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

## (u) Derivative financial instruments and hedging

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

**Hedge accounting**

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedge.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

**Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss and is included in the 'fair value changes' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to (effective

portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

**(v) Leases**

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group considers whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

**As a lessee**

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset have been separately presented in the balance sheet and lease payments have been classified as financing activities.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## Critical accounting estimate and judgement

**1. Determination of lease term**

Ind AS 116 Leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**2. Discount rate**

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**The Group as a lessee**

As a lessee, the Group leases assets which includes gold loan branches/office premises and vehicles to employees. The Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognizes right-of-use assets and lease liabilities for these leases.

**Recent Accounting Pronouncements:**

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. For the year ended March 31, 2025, the MCA has notified Ind AS 117, Insurance Contracts, and amendments to Ind AS 116, Leases, relating to sale and leaseback transactions, applicable to the Group, w.e.f., April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation, has determined that the new pronouncement has no significant impact on the Group.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 4. CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash on hand | 27.64 | 49.92 |
| Cheques on hand | 5.40 | 1.22 |
| Balance with banks | | |
| - In current accounts | 1,133.03 | 1,498.35 |
| - In deposit accounts (original maturity less than or equal to three months) | 900.10 | 920.07 |
| - Interest accrued on deposits | 0.46 | 0.31 |
| **Total** | **2,066.63** | **2,469.87** |

## NOTE 5. BANK BALANCE (OTHER THAN CASH AND CASH EQUIVALENTS)

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Balance with banks in earmarked accounts towards unclaimed amount on NCD, dividend, etc. | 13.04 | 26.14 |
| In deposit accounts (refer note 5.1) | 2,084.48 | 1,720.74 |
| Interest accrued on deposits (refer note 5.1) | 27.63 | 28.97 |
| **Total** | **2,125.15** | **1,775.85** |

## NOTE 5.1 OUT OF THE DEPOSITS SHOWN ABOVE (INCLUSIVE OF INTEREST ACCRUED ON DEPOSITS)

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Lien marked | 1,852.91 | 1,548.51 |
| Margin for credit enhancement | 102.06 | 104.71 |
| Other deposits | 157.14 | 96.49 |
| **Total** | **2,112.11** | **1,749.71** |

## NOTE 6: DERIVATIVE FINANCIAL INSTRUMENTS

(₹ in Crores)

| Part I | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional amounts | Fair value - assets | Fair value - liabilities | Notional amounts | Fair value - assets | Fair value - liabilities |
| (i) Currency derivatives: | | | | | | |
| Spot and forwards | 7,196.37 | 50.25 | 94.67 | 4,074.52 | 140.65 | 30.92 |
| Cross currency interest rate swaps | 378.67 | - | (5.97) | 413.10 | - | 4.26 |
| (ii) Interest rate derivatives | | | | | | |
| Forward rate agreements and interest rate swaps | - | - | - | 695.50 | 17.04 | - |
| Options purchased | - | - | - | - | - | - |
| (iii) Credit derivatives | - | - | - | - | - | - |
| (iv) Equity linked derivatives | - | - | - | - | - | - |
| (v) Other derivatives | | | | | | |
| Forward exchange contract | 1,746.00 | - | 22.20 | 1,092.46 | - | (1.65) |
| **Total** | **9,321.04** | **50.25** | **110.90** | **6,275.58** | **157.69** | **33.53** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Part II | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Notional amounts | Fair value - assets | Fair value - liabilities | Notional amounts | Fair value - assets | Fair value - liabilities |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| (i) Fair value hedging | | | | | | |
| Options purchased | - | - | - | - | - | - |
| (ii) Cash flow hedging | | | | | | |
| Currency derivatives | 7,575.04 | 50.25 | 88.70 | 4,487.62 | 140.65 | 35.18 |
| Interest rate derivative | - | - | - | 695.50 | 17.04 | - |
| (iii) Net investment hedging | - | - | - | - | - | - |
| (iv) Undesignated derivatives | | | | | | |
| Currency derivative | - | - | - | - | - | - |
| Interest rate derivative | - | - | - | - | - | - |
| Forward exchange contract | 1,746.00 | - | 22.20 | 1,092.46 | - | (1.65) |
| **Total** | **9,321.04** | **50.25** | **110.90** | **6,275.58** | **157.69** | **33.53** |

**Credit risk and currency risk**

(₹ in Crores)

| Particulars | Total | | Exchange traded | | Over the counter | |
|---|---|---|---|---|---|---|
| | Notional | Fair value | Notional | Fair value | Notional | Fair value |
| **As at March 31, 2025** | | | | | | |
| Derivative asset | 1,642.36 | 50.25 | - | - | 1,642.36 | 50.25 |
| Derivative liabilities | 7,678.69 | 110.90 | - | - | 7,678.69 | 110.90 |
| **As at March 31, 2024** | | | | | | |
| Derivative asset | 3,147.25 | 157.69 | - | - | 3,147.25 | 157.69 |
| Derivative liabilities | 3,128.33 | 33.53 | - | - | 3,128.33 | 33.53 |

### 6.1 HEDGING ACTIVITIES AND DERIVATIVES

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are interest rate and currency risk.

### 6.1.1 DERIVATIVES DESIGNATED AS HEDGING INSTRUMENTS

The foreign currency and interest rate risk on borrowings have been actively hedged through a combination of forward contracts, interest rate swaps and cross currency swaps.

The Group is exposed to interest rate risk arising from its floating rate foreign currency borrowings. Interest on the borrowing is payable at a floating rate linked to the benchmark plus margin. The Company hedges the interest rate risk arising from the debt with a 'receive floating - pay fixed' interest rate swap and also with a Derivative Forward Contract.

The Group uses forward exchange contracts, interest rate swaps and cross currency swaps to hedge its risks associated with interest rate and currency risk arising from the foreign currency loans / external commercial borrowings. The Group designates such contracts in a cash flow hedging relationship by applying the hedge accounting principles as per IND AS - 109 (refer note 38.C.2). These contracts are stated at fair value of the spot element of the forward exchange contracts at each reporting date. Changes in the fair value of these contracts that are designated as effective hedge of future cash flows are recognized directly in the "Cash flow hedge reserve" under other comprehensive income and the ineffective portion is recognized immediately in the "Fair value changes" under statement of profit and loss. Hedge accounting is discontinued when the hedged instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the Forward

contracts/Interest Rate Swaps match that of the foreign currency borrowings (notional amount, interest payment dates, principal repayment date, etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts/ interest rate swaps/ cross currency swaps are identical to the hedged risk components.

The Group does not use derivatives for trading or speculation purposes.

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Notional amount | 9,321.04 | 6,275.58 |
| Carrying amount - Asset / (Liability) | (60.66) | 124.16 |
| Line item in the statement of financial position | Derivative financial instrument | Derivative financial instrument |
| Change in fair value used for measuring ineffectiveness for the year | (11.76) | (20.83) |

(₹ in Crores)

| Impact of hedging item | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Cash flow hedge reserve profit / (loss) | (11.76) | (20.83) |

(₹ in Crores)

| Effect of cash flow hedge | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Total hedging gain / (loss) recognized in OCI (net) | (6.02) | (11.20) |
| Ineffectiveness recognized in profit or (loss) | (6.93) | (15.13) |

## NOTE 7. RECEIVABLES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(i) Trade receivables** | | |
| Receivables considered good - secured | 0.46 | 0.20 |
| Receivables considered good - unsecured* | 107.33 | 102.26 |
| **Total (i) - Gross** | **107.79** | **102.46** |
| **Less:** Impairment loss allowance | 0.26 | 0.04 |
| **Total (i) - Net** | **107.53** | **102.42** |
| **(ii) Other receivables** | | |
| Receivables considered good - Unsecured | - | 29.65 |
| **Total (ii)- Gross** | **-** | **29.65** |
| **Less:** Impairment loss allowance | - | - |
| **Total (ii)- Net** | **-** | **29.65** |
| **Total (i+ii)** | **107.53** | **132.07** |

* including receivable from other related parties (refer note 42.2)

**Notes:**

1. No trade or other receivables are due from directors or other officer of the Group either severally or jointly, with any other person nor from any firms including limited liability partnerships, private companies in which any director is a partner or a director or a member.
2. The Group has adopted simplified approach for impairment allowance on trade receivables. Expected credit loss ("ECL") has been recognized on credit impaired receivables.
3. Trade receivables are non-interest bearing.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 7.1 TRADE RECEIVABLES AGEING SCHEDULE

(₹ in Crores)

| Particulars (As at March 31, 2025) | Unbilled | TO | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 20.89 | 86.26 | 0.64 | - | - | - | **107.79** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | **-** |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | **-** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | **-** |
| **Total** | **20.89** | **86.26** | **0.64** | **-** | **-** | **-** | **107.79** |

(₹ in Crores)

| Particulars (As at March 31, 2024) | Unbilled | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | 48.53 | 53.76 | 0.15 | 0.02 | - | - | **102.46** |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | **-** |
| (iv) Disputed Trade Receivables– considered good | - | - | - | - | - | - | **-** |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | **-** |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | **-** |
| **Total** | **48.53** | **53.76** | **0.15** | **0.02** | **-** | **-** | **102.46** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 8. LOANS

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | |
|---|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income * | At fair value through profit or loss | Total |
| **(A)** | | | | |
| (i) Term Loans | 46,594.97 | 8,616.11 | 611.52 | **55,822.60** |
| (ii) Others (Dues from Customers etc) | 763.46 | - | - | **763.46** |
| **Total (A) - Gross** | **47,358.43** | **8,616.11** | **611.52** | **56,586.06** |
| **Less:** Impairment loss allowance (including Stage 3 ECL on Principal ₹ 655.92 crore) | 1,165.52 | 56.28 | - | **1,221.80** |
| **Total (A) - Net** | **46,192.91** | **8,559.83** | **611.52** | **55,364.26** |
| **(B)** | | | | |
| (i) Secured by tangible assets (refer note 8.1 and 8.2) | 33,524.94 | 7,982.33 | 611.52 | **42,118.79** |
| (ii) Secured by Bank / Government guarantees | 106.12 | - | - | **106.12** |
| (iii) Unsecured | 13,727.37 | 633.78 | - | **14,361.15** |
| **Total (B) - Gross** | **47,358.43** | **8,616.11** | **611.52** | **56,586.06** |
| **Less:** Impairment loss allowance | 1,165.52 | 56.28 | - | **1,221.80** |
| **Total (B) - Net** | **46,192.91** | **8,559.83** | **611.52** | **55,364.26** |
| **(C)** | | | | |
| **(I) Loans in India** | | | | |
| (i) Public Sector | - | - | - | **-** |
| (ii) Others | 47,358.43 | 8,616.11 | 611.52 | **56,586.06** |
| **Total(C) (I) - Gross** | **47,358.43** | **8,616.11** | **611.52** | **56,586.06** |
| **Less:** Impairment loss allowance | 1,165.52 | 56.28 | - | **1,221.80** |
| **Total(C) (I) - Net** | **46,192.91** | **8,559.83** | **611.52** | **55,364.26** |
| **(II) Loans outside India (C) (II)** | **-** | **-** | **-** | **-** |
| **Total C (I) and C (II)** | **46,192.91** | **8,559.83** | **611.52** | **55,364.26** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income * | At fair value through profit or loss | Total |
| **(A)** | | | | |
| (i) Term Loans | 46,143.40 | 4,552.10 | - | **50,695.50** |
| (ii) Non Convertible Debentures - for financing real estate projects | 340.75 | - | - | **340.75** |
| (iii) Related parties | 0.04 | - | - | **0.04** |
| (iv) Others (Dues from Customers etc) | 1,148.35 | - | - | **1,148.35** |
| **Total (A) - Gross** | **47,632.54** | **4,552.10** | **-** | **52,184.64** |
| **Less:** Impairment loss allowance (including Stage 3 ECL on Principal ₹ 580.37 crore) | 1,200.65 | 31.67 | - | **1,232.32** |
| **Total (A) - Net** | **46,431.89** | **4,520.43** | **-** | **50,952.32** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Amortized cost | At fair value through other comprehensive income * | At fair value through profit or loss | Total |
| **(B)** | | | | |
| (i) Secured by tangible assets (refer note 8.1 and 8.2) | 32,261.25 | 4,008.26 | - | **36,269.51** |
| (ii) Secured by Bank/ Government guarantees | 71.35 | - | - | **71.35** |
| (iii) Unsecured | 15,299.94 | 543.84 | - | **15,843.78** |
| **Total (B) - Gross** | **47,632.54** | **4,552.10** | **-** | **52,184.64** |
| **Less:** Impairment loss allowance | 1,200.65 | 31.67 | - | **1,232.32** |
| **Total (B) - Net** | **46,431.89** | **4,520.43** | **-** | **50,952.32** |
| **(C)** | | | | |
| **(I) Loans in India** | | | | |
| (i) Public Sector | - | - | - | **-** |
| (ii) Others | 47,632.54 | 4,552.10 | - | **52,184.64** |
| **Total (C) (I)-Gross** | **47,632.54** | **4,552.10** | **-** | **52,184.64** |
| **Less:** Impairment loss allowance | 1,200.65 | 31.67 | - | **1,232.32** |
| **Total (C) (I)-Net** | **46,431.89** | **4,520.43** | **-** | **50,952.32** |
| **(II) Loans outside India (C) (II)** | **-** | **-** | **-** | **-** |
| **Total C (I) and C (II)** | **46,431.89** | **4,520.43** | **-** | **50,952.32** |

* Loans classified under Fair Value Through Other Comprehensive Income relate to those available for sale in their present condition.

**Notes:**

**8.1** Secured loans are secured by way of equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security. Loans secured by Government Guarantee are credit facilities provided under the Emergency Credit Line Guarantee Scheme backed by an unconditional and irrevocable guarantee provided by Government of India.

**8.2** Secured loans include loans aggregating to ₹ 124.15 Crores (previous year ₹ 71.01 Crores) in respect of which the creation of security is under process.

**8.3** Loans classified under fair value through profit or loss relate to CBLO amounting to ₹ 611.52 Crores (as at March 31, 2024, Nil) including interest accrued of ₹ 0.49 Crores (as at March 31, 2024, Nil)

## NOTE 9. INVESTMENTS

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | At fair value through profit and loss | At Amortised cost | Total |
| **(A)** | | | |
| Mutual funds | 75.28 | - | **75.28** |
| Alternate investment funds | 25.00 | - | **25.00** |
| Security receipts | 3,888.58 | - | **3,888.58** |
| Government Securities | 209.08 | 299.96 | **509.04** |
| Bonds / Debt securities | 198.21 | 61.84 | **260.05** |
| Preference Shares | 40.23 | - | **40.23** |
| Equity instruments | | | |
| in others | 227.11 | 0.05 | **227.16** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | At fair value through profit and loss | At Amortised cost | Total |
| Debt instruments | - | 7.81 | **7.81** |
| **Total – Gross (A)** | **4,663.49** | **369.66** | **5,033.15** |
| **Less:** Impairment loss allowance* | 594.26 | 0.90 | **595.16** |
| **Total – Net (A)** | **4,069.23** | **368.76** | **4,437.99** |
| **(B)** | | | |
| (i) Investments outside India | - | - | **-** |
| (ii) Investments in India | 4,663.49 | 369.66 | **5,033.15** |
| **Total – (B)** | **4,663.49** | **369.66** | **5,033.15** |
| **Less:** Impairment loss allowance* | 594.26 | 0.90 | **595.16** |
| **Total Net (B)** | **4,069.23** | **368.76** | **4,437.99** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | At fair value through profit and loss | At Amortised cost | Total |
| **(A)** | | | |
| Mutual funds | 61.70 | - | **61.70** |
| Alternate investment funds | 20.77 | - | **20.77** |
| Security receipts | 3,191.08 | - | **3,191.08** |
| Government Securities | 55.46 | 199.94 | **255.40** |
| Bonds / Debt securities | 293.45 | 75.86 | **369.31** |
| Preference Shares | 40.16 | - | **40.16** |
| Commercial Papers | - | 98.27 | **98.27** |
| Equity instruments | | | |
| in others | 24.13 | 0.05 | **24.18** |
| Debt instruments | - | 6.20 | **6.20** |
| **Total – Gross (A)** | **3,686.75** | **380.32** | **4,067.07** |
| **Less:** Impairment loss allowance | 7.09 | 1.00 | **8.09** |
| **Total – Net (A)** | **3,679.66** | **379.32** | **4,058.98** |
| **(B)** | | | |
| (i) Investments outside India | - | - | **-** |
| (ii) Investments in India | 3,686.75 | 380.32 | **4,067.07** |
| **Total – (B)** | **3,686.75** | **380.32** | **4,067.07** |
| **Less:** Impairment loss allowance | 7.09 | 1.00 | **8.09** |
| **Total Net (B)** | **3,679.66** | **379.32** | **4,058.98** |

** The parent Company had certain AIF investments that were due to mature in June 2024. In March 2024, the parent Company requested the AIF to do in-specie distribution of assets (i.e.: debentures of underlying SPV companies) in lieu of its investment in the AIF. Subsequently, these debentures were assigned to an ARC, and the book value of the resulting Security Receipts (SRs), based on the same underlying assets as of September 30, 2024, was ₹ 586.50 Crores. The RBI Circular dated December 19, 2023, on "Investments in Alternative Investment Funds (AIFs)" required a 100% provision of AIF investments if they were not liquidated within 30 days of the circular being applicable. To comply with the spirit of this circular, the management has decided to make a provision equivalent to 100% of the book value of these SRs, accordingly the same has been disclosed under exceptional items for the year.*

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 9.1 INVESTMENT DETAILS SCRIP WISE

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) |
| **Mutual funds** | | | **75.28** | | | **61.70** |
| Nippon India Mutual Fund ETF Liquid BeES | 40.78 | 1,000.00 | 0.00 | 38.72 | 1,000.00 | 0.00 |
| Aditya Birla Sunlife Liquid Fund- Growth-Direct Plan(formerly known as Aditya Birla Sun Life Cash Plus) | 6,02,477.62 | 10.00 | 25.23 | 15,83,308.60 | 10.00 | 61.70 |
| HSBC Liquid Fund-Direct Growth | 96,893.05 | NA | 25.04 | - | - | - |
| HSBC Money Market Fund - Direct Growth | 92,11,205.09 | NA | 25.01 | - | - | - |
| **Alternate investment fund** | | | **25.00** | | | **20.77** |
| Phi Capital Growth Fund-I | 292.21 | 1,00,000.00 | 8.25 | 282.01 | 1,00,000.00 | 7.60 |
| Phi Capital Growth Fund-I.6 | 95.69 | 1,00,000.00 | 0.64 | 48.63 | 1,00,000.00 | 0.43 |
| IIFL One Value Fund Series B - Class C | 50,00,000.00 | 10.00 | 5.68 | 50,00,000.00 | 10.00 | 5.68 |
| Faering Capital Growth Fund III | 27,550.00 | 1,000.00 | 2.47 | 17,750.00 | 1,000.00 | 1.57 |
| IIFL Securities Capital Enhancer Fund Class S | 9,87,815.89 | 10.00 | 1.93 | 10,00,000.00 | 10.00 | 1.41 |
| IIFL Securities Capital Enhancer Fund Class E | 1,999.90 | 10.00 | 0.00 | 1,999.90 | 10.00 | 0.00 |
| IIFL One Opportunities FOF - Series 1 | 30,95,601.13 | 10.00 | 4.51 | 30,95,601.13 | 10.00 | 4.08 |
| IIFL Fintech Fund-Series II | 14,99,925.00 | 10.00 | 1.52 | - | - | - |
| **Preference Shares** | | | **40.23** | | | **40.16** |
| Open Financial Technologies Private Limited | 201.00 | 100.00 | 40.23 | 201.00 | 100.00 | 40.16 |
| **Debt instruments** | | | **7.81** | | | **6.20** |
| Elite Mortgage HL Trust June 2019 Series A PTC | 5.00 | 3,58,54,404.00 | 5.09 | 5.00 | 3,58,54,404.00 | 6.20 |
| 2025 02 MFI COSINE | 2,72,40,087.00 | 1.00 | 2.72 | - | - | - |
| **Equity instruments** | | | **227.16** | | | **24.18** |
| Alpha Microfinance Consultants Private Limited | 50,000.00 | 10.00 | 0.05 | 50,000.00 | 10.00 | 0.05 |
| Vishal Mega Mart | 64.00 | 10.00 | 0.00 | - | - | - |
| Indian Overseas Bank | 4,92,97,510.00 | 10.00 | 192.11 | - | - | - |
| RMBS Development Company Limited | 2,50,00,000.00 | 10.00 | 25.00 | - | - | - |
| Xtracap Fintech India Private Limited | 40,000.00 | 1.00 | 10.00 | - | - | - |
| Swan Energy Limited | - | - | - | 1,94,029.00 | 1.00 | 13.00 |
| Suraj Estate Developers Limited | - | - | - | 4,26,627.00 | 5.00 | 11.13 |
| **Bonds** | | | **260.05** | | | **369.31** |
| Andhra Pradesh State Beverages Corporation Limited | 100.00 | 2,50,000.00 | 2.50 | 163.00 | 2,50,000.00 | 4.07 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|---|---|---|---|---|---|
| | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) | Quantity (in actuals) | Face value per unit (in ₹) | Carrying value (₹ in Crores) |
| Andhra Pradesh State Beverages Corporation Limited | - | - | - | 2,022.00 | 10,00,000.00 | 188.73 |
| Adani Ports And Special Economic Zone Limited | 10,000.00 | 1,00,000.00 | 100.56 | 10,000.00 | 10,00,000.00 | 100.65 |
| Punjab Sind Bank Infra Bond | 500.00 | 1,00,000.00 | 5.00 | - | - | - |
| Rare ARC Bond | 9,000.00 | 1,00,000.00 | 90.00 | - | - | - |
| Antractica NCD | 14.00 | 1,00,000.00 | 0.15 | - | - | - |
| Vatika One India Next Pvt Limited | 4,385.00 | 1,00,000.00 | 36.53 | 4,240.00 | 1,00,000.00 | 44.94 |
| Vatika Limited | 2,971.00 | 1,00,000.00 | 25.31 | 2,873.00 | 1,00,000.00 | 30.92 |
| **Government Securities** | | | **509.04** | | | **255.40** |
| 07.38 % Govt. 50,000,000.00 Stock 2027 | 5,00,000.00 | 100.00 | 5.09 | 5,00,000.00 | 100.00 | 5.05 |
| 7.18% G.S. 2033 | 50,00,000.00 | 100.00 | 51.81 | 50,00,000.00 | 100.00 | 50.41 |
| 6.79% G.S. 2034 | 1,50,00,000.00 | 100.00 | 152.18 | - | - | - |
| Others (Money lent against government securities - CROMS) | - | - | 299.96 | - | - | 199.94 |
| **Commercial Papers** | | | **-** | | | **98.27** |
| Deutsche Investments India Private Limited 162D CP 30Apr24 | - | - | - | 1,000.00 | 5,00,000.00 | 48.86 |
| National Bank For Agriculture And Rural Development 91D CP 30Apr24 | - | - | - | 1,000.00 | 5,00,000.00 | 49.41 |
| **Security Receipts** | | | **3,888.58** | | | **3,191.08** |
| ACRE-110-Trust (Tranche I) | 38,25,000.00 | 887.11 | 308.78 | 38,25,000.00 | 887.11 | 308.78 |
| ACRE-110-Trust (Tranche II) | 53,97,500.00 | 950.14 | 384.63 | 53,97,500.00 | 950.14 | 384.63 |
| Arcil-SBPS-049-I-Trust | 8,33,000.00 | 140.85 | 11.73 | 8,33,000.00 | 140.85 | 11.73 |
| Phoenix Trust-FY23-20 | 21,25,000.00 | 886.00 | 177.01 | 21,25,000.00 | 886.00 | 188.28 |
| Phoenix Trust-FY24-8 | 8,26,000.00 | 982.00 | 53.44 | 8,26,000.00 | 982.00 | 81.11 |
| Phoenix Trust-FY24-14 | 1,30,00,000.00 | 1,000.00 | 1,300.00 | 1,30,00,000.00 | 1,000.00 | 1,300.00 |
| Phoenix Trust-FY24-17 | 50,00,000.00 | 1,000.00 | 500.00 | - | - | - |
| Rare-045 | 4,12,890.00 | 1,000.00 | 40.88 | 5,00,000.00 | 1,000.00 | 50.00 |
| Rare-ARC-068 | 69,60,000.00 | 1,000.00 | 696.00 | 58,65,000.00 | 1,000.00 | 586.50 |
| RARE ARC 06803 | - | - | - | 10,95,000.00 | 1,000.00 | 109.50 |
| Rare-052 | 2,75,600.00 | 1,000.00 | 27.56 | - | - | - |
| Rare ARC 074 | 2,40,000.00 | 1,000.00 | 24.01 | - | - | - |
| Rare ARC 079 | 12,13,929.00 | 1,000.00 | 121.39 | - | - | - |
| Rare ARC 081 | 9,56,450.00 | 1,000.00 | 95.65 | - | - | - |
| Invent/2223/IIFL Samasta/P18 Trust | 4,14,545.00 | 1,000.00 | 41.45 | 5,12,958.00 | 1,000.00 | 51.30 |
| Invent/2223/IIFL Samasta/P19 Trust | 5,05,869.00 | 1,000.00 | 50.59 | 6,01,205.00 | 1,000.00 | 60.12 |
| INVENT/2324/P23 | 5,54,642.00 | 1,000.00 | 55.46 | 5,91,311.00 | 1,000.00 | 59.13 |
| **Total Gross** | | | **5,033.15** | | | **4,067.07** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 10. OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **(Unsecured, considered good)** | | |
| Security deposits | 48.25 | 46.03 |
| Deposit with Exchange | 3.25 | 0.25 |
| Interest strip asset on assignment | 857.10 | 1,172.54 |
| Staff advances | 0.40 | 0.15 |
| Insurance receivable | 11.70 | 32.98 |
| **Less:** Provisions on insurance receivables (refer note 10.1) | 11.57 | 24.57 |
| Other receivables | 201.17 | 163.25 |
| Accrued interest on investments | 9.32 | 5.43 |
| Other advance | 6.48 | 0.49 |
| **(Unsecured, considered doubtful)** | | |
| Other advances | 11.96 | 22.45 |
| **Less:** Impairment loss allowance on Other advances (refer note 10.2) | 8.74 | 12.16 |
| Security deposit for rented premises | 14.45 | 14.82 |
| **Less:** Impairment loss allowance on security deposit (refer note 10.3) | 0.80 | 0.89 |
| **Total** | **1,142.97** | **1,420.77** |

## NOTE 10.1: IMPAIRMENT LOSS ALLOWANCE ON INSURANCE RECEIVABLE

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **24.57** | **22.10** |
| Addition | 1.69 | 6.75 |
| Reduction | (14.69) | (4.28) |
| **Closing** | **11.57** | **24.57** |

## NOTE 10.2 IMPAIRMENT LOSS ALLOWANCE ON OTHER ADVANCES:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **12.16** | **-** |
| Addition | - | 12.16 |
| Reduction | (3.42) | - |
| **Closing** | **8.74** | **12.16** |

## NOTE 10.3: IMPAIRMENT LOSS ALLOWANCE ON SECURITY DEPOSITS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Opening** | **0.89** | **0.98** |
| Addition | 0.02 | 0.33 |
| Reduction | (0.11) | (0.42) |
| **Closing** | **0.80** | **0.89** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 11.DEFERRED TAX ASSETS AND LIABILITIES

**Significant components of deferred tax assets and liabilities for the year ended March 31, 2025 are as follows:**

(₹ in Crores)

| (A) Deferred tax asset / (liability) | Opening balance (as on April 1, 2024) | Recognized in profit or loss | Recognized in/ reclassified from OCI | Closing balance (as on March 31, 2025) |
|---|---|---|---|---|
| **Deferred tax assets / liabilities (net)** | | | | |
| Property, plant and equipment | **37.91** | 5.20 | - | **43.11** |
| Provisions, allowances for doubtful receivables / loans | **304.02** | (2.48) | - | **301.54** |
| Compensated absences and retirement benefits | **15.82** | 1.61 | 0.93 | **18.36** |
| MTM on derivative financial instruments | **36.45** | 155.12 | 1.62 | **193.19** |
| Expenses deductible in future years | **(16.13)** | 13.12 | - | **(3.01)** |
| Provision on Investment | **1.78** | - | - | **1.78** |
| Cash flow hedge reserve | **5.29** | - | 0.40 | **5.69** |
| Fair value of financial instruments | **(7.58)** | (0.60) | 1.52 | **(6.66)** |
| Leases - Ind AS 116 | **6.77** | (1.29) | - | **5.48** |
| Income amortization (net) | **(232.06)** | 58.61 | - | **(173.45)** |
| C/f losses on investments | **(1.69)** | 1.07 | - | **(0.62)** |
| **Deferred tax assets (net)** | **150.58** | **230.36** | **4.47** | **385.41** |

**Significant components of deferred tax assets and liabilities for the year ended March 31, 2024 are as follows:**

(₹ in Crores)

| (A) Deferred tax asset | Opening balance (as on April 1, 2023) | Recognized in profit or loss | Recognized in/ reclassified from OCI | Closing balance (as on March 31, 2024) |
|---|---|---|---|---|
| **Deferred tax assets** | | | | |
| Property, plant and equipment | **32.31** | 5.60 | - | **37.91** |
| Provisions, allowances for doubtful receivables / loans | **323.84** | (19.82) | - | **304.02** |
| Compensated absences and retirement benefits | **10.01** | 4.13 | 1.66 | **15.80** |
| MTM on derivative financial instruments | **40.03** | (17.70) | 14.12 | **36.45** |
| Expenses deductible in future years | **(10.52)** | (6.07) | - | **(16.59)** |
| Provision on Investment | **-** | 1.78 | - | **1.78** |
| Cash flow hedge reserve | **3.44** | - | 1.85 | **5.29** |
| Fair value of financial instruments | **(6.49)** | (1.49) | 0.40 | **(7.58)** |
| Leases - Ind AS 116 | **7.03** | (0.26) | - | **6.77** |
| Income amortization (net) | **(276.98)** | 44.92 | - | **(232.06)** |
| **Deferred tax assets (net)** | **122.67** | **11.09** | **18.03** | **151.79** |

(₹ in Crores)

| (B) Deferred tax liability | Opening balance (as on April 01, 2023) | Recognised in profit or loss | Recognised in/ reclassified from OCI | Closing balance (as on March 31, 2024) |
|---|---|---|---|---|
| **Deferred tax liability** | | | | |
| Property, plant and equipment | **(0.00)** | 0.00 | - | **(0.00)** |
| Compensated absences and retirement benefits | **-** | 0.03 | - | **0.03** |
| Expenses deductible in future years | **0.02** | 0.43 | - | **0.46** |
| C/f losses on investments | **(0.63)** | (1.06) | - | **(1.69)** |
| **Deferred tax liability (net)** | **(0.61)** | **(0.60)** | **-** | **(1.21)** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 12. INVESTMENT PROPERTY (AT COST)

(₹ in Crores)

| Particulars | Property (Flats) (refer note 12.1) * | Building | Land (refer note 12.1) | Investment property under construction (refer note 12.3) | Total |
|---|---|---|---|---|---|
| **Gross carrying value** | | | | | |
| **As at April 1, 2024** | **155.55** | **2.80** | **138.16** | **-** | **296.51** |
| Additions during the year | - | - | - | 575.00 | **575.00** |
| Deductions/adjustments during the year | - | - | - | - | **-** |
| **As at March 31, 2025** | **155.55** | **2.80** | **138.16** | **575.00** | **871.51** |
| **Less:** Adjustments / Depreciation upto March 31, 2025 | - | 0.75 | - | - | **0.75** |
| **Net carrying value as at March 31, 2025** | **155.55** | **2.05** | **138.16** | **575.00** | **870.76** |
| Fair value as on March 31, 2025 (Fair value hierarchy : Level 2 / Level 3) | 260.31 | 3.93 | 152.85 | 575.00 | **992.09** |

*Distress value of above flats is ₹ 219.21 Crores.

(₹ in Crores)

| Particulars | Property (Flats) (refer note 12.1)* | Building | Land (refer note 12.1) | Investment property under construction (refer note 12.3) | Total |
|---|---|---|---|---|---|
| **Gross carrying value** | | | | | |
| **As at April 1, 2023** | **155.55** | **2.80** | **138.16** | **-** | **296.51** |
| Deductions/adjustments during the year | - | - | - | - | **-** |
| **As at March 31, 2024** | **155.55** | **2.80** | **138.16** | **-** | **296.51** |
| **Less:** Adjustments / Depreciation upto March 31, 2024 | - | 0.61 | - | | **0.61** |
| **Net carrying value as at March 31, 2024** | **155.55** | **2.19** | **138.16** | | **295.90** |
| Fair value as on March 31, 2024 (Fair value hierarchy : Level 2 / Level 3) | 193.40 | 3.94 | 151.66 | | **349.00** |

*Distress value of above flats is ₹159.27 Crores.

**12.1:** The management of the parent Company has acquired possession of these properties in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. These properties have been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, percentage of completion of construction (as for some properties the construction is currently on hold), residual life of building, business potential, supply & demand, local nearby enquiry, market feedback of investigation and ready reckoner published by government. These valuations has been performed by an independent registered valuer registered under rule 2 of Companies (Registered Valuers and Valuation) Rules,2017. The fair values are based on market values, being the estimated amount for which a property could be exchanged in an arm's length transaction. These properties are not depreciated as they have not been ready to use.

**12.2:** In respect of residential flats located in Mumbai, the Maharashtra Real Estate Regulatory Authority (MAHARERA) has passed an order directing the developer to hand over the possession of the flats along with compensation for the delay. The developer has preferred an appeal against this Order and the matter is pending before the Maharashtra Real Estate Regulatory Appellate Tribunal (MAHAREAT).

**12.3:** Investment property under construction represent rights acquired by the parent Company in properties which are under construction. These rights are in respect of constructed area in the properties located in prime areas in Mumbai and are part of the projects of recognized real estate developers and not by the Group. Accordingly, disclosures in terms of paragraph WB(vi) of general instructions for preparation of Balance Sheet prescribed in Division III of Schedule III to the Companies Act, 2013 are not made. The parent Company and the concerned parties are in the process of registering the documents by which the parent Company has acquired the title over the Investment properties under construction. The acquisitions of these rights in the properties were in the normal course of the business and none of the promoters, directors or their relatives are associated with these transactions in any manner.

## NOTE 13. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

| Particulars | Freehold Land * | Electrical Equipment | Furniture And Fixtures | Vehicles | Office Equipment | Buildings | Plant & Equipment | Computer | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2024** | **0.09** | **5.60** | **190.56** | **3.04** | **58.58** | **(0.00)** | **58.18** | **100.55** | **416.60** |
| Additions during the year | - | 1.43 | 36.95 | - | 12.58 | - | 8.17 | 10.29 | **69.42** |
| Deductions/adjustments | - | (0.73) | (10.87) | - | (1.67) | - | (2.55) | (13.15) | **(28.97)** |
| **As at March 31, 2025** | **0.09** | **6.30** | **216.64** | **3.04** | **69.49** | **(0.00)** | **63.80** | **97.69** | **457.05** |
| **Depreciation** | | | | | | | | | |
| **As at April 1, 2024** | **-** | **2.66** | **114.24** | **1.02** | **24.54** | **(0.00)** | **37.14** | **68.53** | **248.13** |
| Depreciation for the year | - | 1.07 | 28.56 | 0.53 | 14.09 | - | 8.86 | 19.53 | **72.64** |
| Deductions/adjustments | - | (0.46) | (9.86) | - | (1.48) | - | (2.27) | (12.31) | **(26.38)** |
| **Up to March 31, 2025** | **-** | **3.27** | **132.94** | **1.55** | **37.15** | **(0.00)** | **43.73** | **75.75** | **294.39** |
| **Net block As at March 31, 2025** | **0.09** | **3.03** | **83.70** | **1.49** | **32.34** | **(0.00)** | **20.07** | **21.94** | **162.66** |

*The above freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures. During the year, the Group has not revalued any of its property, plant or equipment.

(₹ in Crores)

| Particulars | Freehold Land * | Electrical Equipment | Furniture And Fixtures | Vehicles | Office Equipment | Buildings | Plant & Equipment | Computer | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost as at April 1, 2023** | **0.09** | **4.00** | **174.42** | **2.26** | **45.11** | **24.55** | **51.64** | **87.94** | **390.01** |
| Additions during the year | - | 1.87 | 31.11 | 1.93 | 17.55 | - | 8.92 | 24.32 | **85.70** |
| Deductions/adjustments | - | (0.27) | (14.97) | (1.15) | (4.08) | (24.55) | (2.38) | (11.71) | **(59.11)** |
| **As at March 31, 2024** | **0.09** | **5.60** | **190.56** | **3.04** | **58.58** | **(0.00)** | **58.18** | **100.55** | **416.60** |
| **Depreciation** | | | | | | | | | |
| **As at April 1, 2023** | **-** | **1.97** | **95.09** | **1.60** | **17.47** | **8.47** | **29.92** | **59.36** | **213.88** |
| Depreciation for the year | - | 0.87 | 33.11 | 0.57 | 11.01 | 0.35 | 9.38 | 19.73 | **75.02** |
| Deductions/adjustments | - | (0.18) | (13.96) | (1.15) | (3.94) | (8.82) | (2.16) | (10.56) | **(40.77)** |
| **Up to March 31, 2024** | **-** | **2.66** | **114.24** | **1.02** | **24.54** | **(0.00)** | **37.14** | **68.53** | **248.13** |
| **Net block As at March 31, 2024** | **0.09** | **2.94** | **76.32** | **2.02** | **34.04** | **(0.00)** | **21.04** | **32.02** | **168.47** |

*The above freehold Land is hypotheticated with Debenture Trustee(s) for issue of secured non-convertible debentures During the year, the Group has not revalued any of its property, plant or equipment.

## NOTE 14.1. CAPITAL-WORK-IN PROGRESS (CWIP)

**Ageing schedule**

**2024-25**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 5.22 | 13.41 | 3.66 | - | **22.29** |
| Projects temporarily suspended | - | - | - | - | **-** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**2023-24**

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 41.72 | 10.11 | - | - | **51.83** |
| Projects temporarily suspended | - | - | - | - | **-** |

No projects were delayed for completion or had exceeded its cost compared to its original plan.

## NOTE 14.2. INTANGIBLE ASSETS UNDER DEVELOPMENT

**Ageing schedule**

**2024-25**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.99 | - | - | - | **0.99** |
| Projects temporarily suspended | - | - | - | - | **-** |

**2023-24**

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 0.50 | - | - | - | **0.50** |
| Projects temporarily suspended | - | - | - | - | **-** |

No projects were delayed for completion or had exceeded its cost compared to its original plan.

## NOTE 15. LEASES

**(i) As a Lessee**

**a) Changes in the carrying value of right to use assets:**

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Opening Balance as at April 01, 2024** | **432.39** | **3.72** | **436.11** |
| Addition during the year | 129.16 | 1.53 | **130.69** |
| Deduction/Adjustment | (9.20) | (0.16) | **(9.36)** |
| Depreciation during the year | (110.17) | (1.74) | **(111.91)** |
| **Closing Balance As at March 31, 2025** | **442.18** | **3.35** | **445.53** |

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Opening Balance as at April 01, 2023** | **383.14** | **3.46** | **386.60** |
| Addition during the year | 120.85 | 1.81 | **122.66** |
| Deduction/Adjustment | 30.07 | (0.07) | **30.00** |
| Depreciation during the year | (101.67) | (1.48) | **(103.15)** |
| **Closing Balance As at March 31, 2024** | **432.39** | **3.72** | **436.11** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

**b) Break up value of the current and non - current finance lease obligations:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Current | 97.81 | 104.67 |
| Non-current | 367.52 | 356.83 |
| **Total** | **465.33** | **461.50** |

**c) Movement in finance lease obligations:**

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Balance as at April 01, 2024** | **457.53** | **3.97** | **461.50** |
| **Add/ (less):** Addition during the year | 127.25 | 1.30 | **128.55** |
| **Add/ (less):** Deduction/ adjustment | (10.32) | (0.00) | **(10.32)** |
| **Add/ (less):** Finance cost accrued during the period | 47.73 | 0.34 | **48.07** |
| **Add/ (less):** Payments | (160.44) | (2.03) | **(162.47)** |
| **Closing Balance As at March 31, 2025** | **461.75** | **3.58** | **465.33** |

(₹ in Crores)

| Particulars | Premises | Vehicle | Total |
|---|---|---|---|
| **Balance as at April 01, 2023** | **409.77** | **3.66** | **413.43** |
| **Add/ (less):** Addition during the year | 120.39 | 1.81 | **122.20** |
| **Add/ (less):** Deduction/ adjustment | 27.76 | (0.08) | **27.68** |
| **Add/ (less):** Finance cost accrued during the period | 39.01 | 0.33 | **39.34** |
| **Add/ (less):** Payments | (139.40) | (1.75) | **(141.15)** |
| **Closing Balance As at March 31, 2024** | **457.53** | **3.97** | **461.50** |

**d) Details regarding the contractual maturities of finance lease obligations on an undiscounted basis:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Less than one year | 147.01 | 138.07 |
| One to two years | 116.00 | 110.44 |
| Two to five years | 217.02 | 204.33 |
| More than five years | 155.31 | 142.53 |
| **Total** | **635.34** | **595.37** |

**e)** Rental expense recorded for short-term leases was ₹ 52.88 Crores (previous year ₹ 45.35 Crores)

**f) Amounts recognized in profit or loss**

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Interest on finance lease obligations | 48.03 | 39.35 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low value assets | 0.24 | 0.30 |
| Depreciation relating to leases | 111.91 | 103.15 |
| **Total** | **160.18** | **142.80** |

**g) Amounts recognized in the statement of cash flows**

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total cash outflow for leases | 162.95 | 140.83 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 16. OTHER INTANGIBLE ASSETS

(₹ in Crores)

| Particulars | Amount |
|---|---|
| **Cost or valuation as at April 01, 2024** | **17.09** |
| Additions during the year | 6.79 |
| Deductions /Adjustments | - |
| **As at March 31, 2025** | **23.88** |
| **Amortization** | |
| **As at April 01, 2024** | **12.41** |
| Additions during the year | 3.88 |
| Deductions /Adjustments | - |
| **As at March 31, 2025** | **16.29** |
| **Net block As at March 31, 2025** | **7.59** |

(₹ in Crores)

| Particulars | Amount |
|---|---|
| **Cost or valuation as at April 01, 2023** | **13.27** |
| Additions during the year | 3.82 |
| Deductions /Adjustments | - |
| **As at March 31, 2024** | **17.09** |
| **Amortization** | |
| **As at April 01, 2023** | **9.89** |
| Additions during the year | 2.52 |
| Deductions /Adjustments | - |
| **As at March 31, 2024** | **12.41** |
| **Net block As at March 31, 2024** | **4.68** |

**NOTE 16.1:** The Group has not revalued its Intangible Assets.

**NOTE 16.2:** None of the intangible assets are internally generated.

## NOTE 17. OTHER NON-FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Unsecured, considered good** | | |
| Prepaid expenses | 113.39 | 87.42 |
| Advances for operational expenses | 29.64 | 9.30 |
| Deposit with government | 1.98 | 1.98 |
| GST / Service tax input | 30.93 | 19.07 |
| Capital Advance | 0.04 | 0.07 |
| Other assets | 9.01 | 11.99 |
| **Total** | **184.99** | **129.83** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 18. PAYABLES

(₹ in Crores)

| Particulars | | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **(I)** | **Trade payables** | | |
| (i) | Total outstanding dues of micro enterprises and small enterprises (Refer note 18.1) | 10.39 | 8.84 |
| (ii) | Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| | Outstanding dues of creditors | 6.69 | 23.24 |
| | Provision for expenses | 156.19 | 172.05 |
| | Other trade payables * | 12.37 | 2.75 |
| **Sub-Total** | | **175.25** | **198.04** |
| **Total (I)** | | **185.64** | **206.88** |
| **(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 | 34.28 | - |
| **Total (II)** | | **34.28** | **-** |
| **Total (I + II)** | | **219.92** | **206.88** |

* including payable to other related parties (refer note 42.2)

## NOTE 18.1 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

The following disclosure is made as per the requirement under The Micro, Small and Medium Enterprises Development Act, 2016 ("MSMED Act") on the basis of confirmations sought from suppliers on registration with the specified authorities under MSMED:

(₹ in Crores)

| Particulars | | 2024-25 | 2023-24 |
|---|---|---|---|
| (a) | Principal amount remaining unpaid to any supplier at the year end | 10.39 | 8.84 |
| (b) | Interest due thereon remaining unpaid to any supplier at the year end | - | - |
| (c) | Amount of interest paid and payments made to the supplier beyond the appointed day during the year | - | - |
| (d) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | - | - |
| (e) | Amount of interest accrued and remaining unpaid at the year end | - | - |
| (f) | Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Act | - | - |

The aforementioned is based on the responses received by the Group to its inquiries with suppliers with regard to applicability under the said Act

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 18.2 TRADE PAYABLES AGEING SCHEDULE

(₹ in Crores)

| Particulars | | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| As at March 31, 2025 | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 8.10 | 2.29 | 0.00 | - | - | **10.39** |
| (ii) | Others | 114.40 | 60.62 | 0.13 | 0.04 | 0.06 | **175.25** |

(₹ in Crores)

| Particulars | | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|---|
| As at March 31, 2024 | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 3.08 | 5.76 | - | - | - | **8.84** |
| (ii) | Others | 164.17 | 33.42 | 0.36 | 0.05 | 0.04 | **198.04** |

## NOTE 19. DEBT SECURITIES

(₹ in Crores)

| Particulars | | At amortized cost | |
|---|---|---|---|
| | | As at March 31, 2025 | As at March 31, 2024 |
| (i) | Non Convertible Debentures (refer notes below) - Secured | 13,458.08 | 7,420.65 |
| (ii) | Non Convertible Debentures - Unsecured | 65.00 | 107.50 |
| | **Less:** Unamortized debenture issue expenses | 101.10 | 60.94 |
| (iii) | Commercial Papers - Unsecured | 3,124.70 | 1,335.00 |
| | **Less:** Unexpired discount on Commercial Paper | 71.08 | 31.34 |
| (iv) | Interest accrued but not due | 296.64 | 366.60 |
| **Total (A)** | | **16,772.24** | **9,137.47** |
| (i) | Debt Securities in India | 13,109.08 | 9,137.47 |
| (ii) | Debt Securities outside India | 3,663.16 | - |
| **Total (B)** | | **16,772.24** | **9,137.47** |

**Notes:**

(a) These Non Convertible Debentures are secured by way of first pari-passu charge on immovable property, current assets, book debts, investment property, loans and advances including receivables other than those specifically charged.

(b) Non Convertible Debentures - Includes redeemable non-convertible debenture which carries call and put option of ₹ 600.00 Crore (from December 04, 2025), NCDs carries call option and contains a repayment clause by way of reduction in face value ₹ Nil {As at March 31, 2024 ₹ 15.00 Crores (from March 20, 2024)}, NCDs carrying call and put option of ₹ 280.00 Crores (from April 02, 2025) {As at March 31, 2024 ₹ 280.00 Crores (from April 02, 2025)} and NCDs carrying call and put option of ₹ 320.00 Crores (from May 23, 2025) {As at March 31, 2024 ₹ 320.00 Crores (From May 23, 2025)}

(c) During the year, the parent Company has borrowed ₹ 2,809.91 Crore (equivalent to USD 325 million) under Global Medium Term Note Programme. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio, but excluding the Ineligible Assets.

(d) During the year, the parent Company has borrowed ₹ 870.15 Crore (equivalent to USD 100 million) under Global Medium Term Note Programme. These are secured by way of all rights, titles, interest, benefits, claims and demands, whatsoever of the Company in, to and in respect of, all present and future, receivables/assets, including Company's accounts, operating cash flows, current assets, book debts, stock in trade, loans and advances and receivables, both present and future to the extent of complying with the Security Coverage Ratio, but excluding the Ineligible Assets.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 19.1 - TERMS OF REPAYMENT

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of Interest/ Yield | Amount (₹ in Crores) | Rate of Interest/ Yield | Amount (₹ in Crores) |
| **(A) Non Convertible Debenture (NCD) and zero coupon bonds:** | | **13,523.08** | | **7,528.17** |
| **Secured NCD** | | **13,458.08** | | **7,420.67** |
| More than 5 years | 5.00% - 9.45% | 1,225.09 | 5.00% - 9.45% | 2,469.43 |
| 3- 5 years | 8.33% - 10.50% | 5,893.23 | 8.33% - 10.50% | 1,600.61 |
| 1-3 years | 7.85% - 10.00% | 4,980.79 | 8.20% - 10.05% | 2,301.76 |
| Less than 1 year | 8.35% - 9.90% | 1,358.97 | 8.25% - 9.00% | 1,048.87 |
| | | | | |
| **Unsecured NCD** | | **65.00** | | **107.50** |
| 1-3 years | 9.95% - 10.00% | 65.00 | 10.48% | 50.00 |
| Less than 1 year | - | - | 10.75% - 11.40% | 57.50 |
| **(B) Commercial Papers (net) (Unsecured):** | | **3,124.70** | | **1,335.00** |
| Less than 1 years | 9.00% - 10.00% | 3,124.70 | 9.00% - 9.95% | 1,335.00 |
| **Total (A+B)** | | **16,647.78** | | **8,863.17** |

## NOTE 19.2 - NON CONVERTIBLE DEBENTURES - INSTRUMENT WISE DETAILS

### A. Secured

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 8.35% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series I. Date Of Maturity 28/06/2025 | 8.35% | 46.98 | 47.00 |
| 8.35% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series II. Date Of Maturity 28/06/2025 | 8.35% | 14.24 | 14.24 |
| 8.70% Secured rated Listed Redeemable Non convertible Debentures Letter of Allotment SERIES G1 Date of maturity 20/10/2025 | 8.70% | 250.00 | - |
| 9.21% Secured Rated Annual Listed Redeemable Non convertible Debentures Series I. Date of Maturity 21/12/2025 | 9.21% | 49.57 | 49.57 |
| 9.60% Secured Rated Annual Listed Redeemable Non convertible Debentures Series II. Date of Maturity 21/12/2025 | 9.60% | 116.84 | 116.84 |
| 8.75% Secured Rated Listed Redeemable Non Convertible Debentures Series IV. Date Of Maturity 24/01/2026 | 8.75% | 24.13 | 24.13 |
| 8.75% Secured Rated Listed Redemable Non Convertible Debentuers Series III Date Of Maturity 24/01/2026 | 8.75% | 57.21 | 57.21 |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option A Date Of Maturity 10/03/2026 | 9.90% | 400.00 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option B Date Of Maturity 20/03/2026 | 9.90% | 400.00 | - |
| 10.05% Secured Rated Listed Redeemable Non Convertible Debenture. Series C13. Maturity Date : 20/03/2026 | 10.05% | - | 15.00 |
| 8.50% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D8 Maturity 31/03/2026 | 8.50% | 280.00 | 280.00 |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D29 Option C Date Of Maturity 20/04/2026 | 9.90% | 446.90 | - |
| 8.57% Secured Rated Listed Redeemable Non Convertible Debenture. Series J1 Date of maturity 28/04/2026 | 8.57% | 50.00 | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 8.50% Secured Rated Listed Redeemable Non Convertible Debentures Letter Of Allotment Series D9 Maturity 22/05/2026 | 8.50% | 320.00 | 320.00 |
| 9.20% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series I. Maturity Date: 21/06/2026 | 9.20% | 6.20 | - |
| 9.60% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series II. Maturity Date: 21/06/2026 | 9.60% | 77.60 | - |
| 8.50% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series III. Date Of Maturity 28/06/2026 | 8.50% | 123.58 | 123.58 |
| 8.50% Secured Rated Listed Redeemable Senior Non Convertible Debentures. Series IV. Date Of Maturity 28/06/2026 | 8.50% | 8.91 | 8.91 |
| 8.20% Secured Rated Listed Redeemable Non Convertible Debentures. Series D7.Date Of Maturity 28/09/2026 | 8.20% | 112.00 | 112.00 |
| 9.50% Rated, Unsubordinated, Secured, Taxable, Transferable, Redeemable Non-Convertible Debentures. Maturity Date: 30/09/2026 | 9.50% | 30.00 | - |
| 8.42% Secured Rated Monthly Listed Redeemable Senior Non Convertible Debentures. Series V. Date Of Maturity 14/10/2026 | 8.42% | 141.74 | 144.22 |
| 8.75% Secured Rated Annually Listed Redeemable Senior Non Convertible Debentures. Series VI. Date Of Maturity 14/10/2026 | 8.75% | 133.46 | 134.12 |
| 8.75% Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series VII. Date Of Maturity 14/10/2026 | 8.75% | 26.70 | 26.92 |
| 10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures. Date of Maturity 26/11/2026 | 10.00% | 80.00 | 150.00 |
| 9.80% Secured Rated Listed Redeemable Non-Convertible Debenture Series D27 Date Of Maturity 03/12/2026 | 9.80% | 600.00 | - |
| 9.57% Secured Rated Annual Listed Redeemable Non convertible Debentures Series III. Date of Maturity 21/12/2026 | 9.57% | 34.05 | 34.05 |
| 10.00% Secured Rated Annual Listed Redeemable Non convertible Debentures Series IV. Date of Maturity 21/12/2026 | 10.00% | 73.45 | 73.45 |
| 8.85% Secured Rated Listed Redeemable Non Convertible Debentures. Series I Tranche I Date of maturity 26/12/2026 | 8.85% | 274.50 | - |
| 8.85% Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche I. Date Of Maturity 26/12/2026 | 8.85% | 7.18 | - |
| 9.50% Senior, Secured, Rated, Listed, Taxable, Transferable, Redeemable Non-Convertible Debentures. Maturity Date: 31/12/2026 | 9.50% | 65.62 | - |
| 8.20% Secured Rated Listed Redeemable Non Convertible Debenture. Series III Tranche II. Date Of Maturity 03/01/2027 | 8.20% | 52.65 | 52.65 |
| 8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche II. Date Of Maturity 03/01/2027 | 8.50% | 4.25 | 4.25 |
| 8.50% Secured Rated Listed Redeemable Non Convertible Debenture. Series IV Tranche II. Date Of Maturity 03/01/2027 | 8.50% | 13.60 | 13.60 |
| 9.50% Senior, Secured, Rated, Listed, Taxable principle protected Redeemable Non-Convertible Debentures. Maturity Date: 05/02/2027 | 9.50% | 75.00 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D31 Date Of Maturity 08/03/2027 | 9.90% | 135.00 | - |
| 9.50% Secured Rated Semi Annually Listed Redeemable Senior Non Convertible Debentures. Date Of Maturity 20/03/2027 | 9.50% | 500.00 | 500.00 |
| 9.57% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series III. Maturity Date: 21/06/2027 | 9.57% | 13.14 | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 10.00% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series IV. Maturity Date: 21/06/2027 | 10.00% | 14.72 | - |
| 8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2027 | 8.36% | 273.33 | 273.33 |
| 7.85% Senior, Secured, Listed, Rated, Redeemable, Transferrable, Non-Convertible Debentures. Maturity Date: 30/08/2027 | 7.85% | 66.60 | - |
| 9.90% Secured Rated Listed Redeemable Non Convertible Debenture Series D28 Date Of Maturity 20/12/2027 | 9.90% | 250.00 | - |
| 8.65% Secured Rated Listed Redeemable Non Convertible Debenture Series III Tranche I Date of maturity 26/12/2027 | 8.65% | 9.72 | - |
| 9.00% Secured Rated Listed Redeemable Non Convertible Debenture Series IV Tranche I Date of maturity 26/12/2027 | 9.00% | 44.19 | - |
| 9.00% Secured Rated Listed Redeemable Non Convertible Debenture. Series V Tranche I Date of maturity 26/12/2027 | 9.00% | 5.64 | - |
| 9.00% Secured Rated Listed Redeemable Non Convertible Debentures Series VI. Date Of Maturity 24/01/2028 | 9.00% | 118.93 | 118.93 |
| 9.00% Secured Rated Listed Redeemable Non Convertible Debentures Series VII. Date Of Maturity 24/01/2028 | 9.00% | 37.86 | 37.86 |
| 8.65% Secured Rated Listed Redeemable Non Convertible Debentures Series V Date Of Maturity 24/01/2028 | 8.65% | 157.24 | 157.24 |
| 9.70% Secured, Rated, Listed, Redeemable Non-Convertible Debentures. Maturity Date: 28/01/2028 | 9.70% | 30.00 | - |
| 9.18% Secured Rated Listed Redeemable Non Convertible Debenture Series K1 Date of maturity 06/02/2028 | 9.18% | 250.00 | - |
| 8.60% Secured Redeemable Non Convertible Debentures. Series.Seris D3. Maturity Date: 11/02/2028 | 8.60% | 18.00 | 18.00 |
| 8.62% Secured Redeemable Non Convertible Debentures. Series. Series D4. Maturity Date: 12/03/2028 | 8.62% | 19.00 | 19.00 |
| 8.65% Secured Rated Monthly Listed Senior Redeemable Non Convertible Debentures Series V Date Of Maturity 28/06/2028 | 8.65% | 88.20 | 88.91 |
| 9.00% Secured Rated Annually Listed Senior Redeemable Non Convertible Debentures Series VI Date Of Maturity 28/06/2028 | 9.00% | 131.94 | 131.94 |
| 9.00% Secured Rated Listed Senior Redeemable Non Convertible Debentures Series VII Date Of Maturity 28/06/2028 | 9.00% | 37.52 | 37.52 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2028 | 8.33% | 125.00 | 125.00 |
| 8.75% Secured Medium Term Note. Date Of Maturity- 24/07/2028 | 8.75% | 3,632.69 | - |
| 8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2028 | 8.36% | 273.33 | 273.33 |
| 10.03% Secured Rated Annual Listed Redeemable Non convertible Debentures Series V. Date of Maturity 21/12/2028 | 10.03% | 80.39 | 80.39 |
| 10.50% Secured Rated Annual Listed Redeemable Non convertible Debentures Series VI. Date of Maturity 21/12/2028 | 10.50% | 157.72 | 157.72 |
| 8.43% Secured Rated Listed Redeemable Non Convertible Debenture. Series VI Tranche II. Date Of Maturity 03/01/2029 | 8.43% | 53.74 | 53.74 |
| 8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VII Tranche II. Date Of Maturity 03/01/2029 | 8.75% | 22.18 | 22.18 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 8.75% Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche II. Date Of Maturity 03/01/2029 | 8.75% | 5.53 | 5.53 |
| 8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D5.Date Of Maturity 16/04/2029 | 8.70% | 36.00 | 36.00 |
| 10.03% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series V. Maturity Date: 21/06/2029 | 10.03% | 54.32 | - |
| 10.50% Secured, Rated, Listed, Redeemable, Non-Convertible Debentures - Public Issuance II - Series VI. Maturity Date: 21/06/2029 | 10.50% | 14.87 | - |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2029 | 8.33% | 125.00 | 125.00 |
| 8.36% Secured Rated Redeemable Non Convertible Debenture. Series D10. Date Of Maturity 15/08/2029 | 8.36% | 273.33 | 273.33 |
| 9.18% Secured Redeemable Non Convertible Debentures. Series C15. Maturity Date - 03/10/2029 | 9.18% | 300.00 | 300.00 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2029 | 9.45% | 137.50 | 137.50 |
| 8.90% Secured Rated Listed Redeemable Non Convertible Debentures. Series VI Tranche I Date of maturity 26/12/2029 | 8.90% | 15.22 | - |
| 9.25% Secured Rated Listed Redeemable Non Convertible Debentures. Series VII Tranche I Date of maturity 26/12/2029 | 9.25% | 16.20 | - |
| 9.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series VIII Tranche I Date of maturity 26/12/2029 | 9.25% | 3.07 | - |
| 8.59% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad I.Date Of Maturity 25/02/2030 | 8.59% | 309.50 | 371.40 |
| 8.70% Secured Rated Listed Redeemable Non Convertible Debentures. Series D6.Date Of Maturity 14/05/2030 | 8.70% | 109.00 | 109.00 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2030 | 8.33% | 125.00 | 125.00 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2030 | 9.45% | 137.50 | 137.50 |
| 8.69% Secured Redeemable Non Convertible Debentures. Series. Series D2. Maturity Date: 12/11/2030 | 8.69% | 300.00 | 300.00 |
| 5.00% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series Ad II. Date Of Maturity 28/02/2031 | 5.00% | 68.95 | 74.70 |
| 8.33% Secured Rated Listed Redeemable Non Convertible Debentures. Series D13. Date Of Maturity 30/06/2031 | 8.33% | 125.00 | 125.00 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2031 | 9.45% | 137.50 | 137.50 |
| 9.25% Secured Rated Unlisted Redeemable Non Convertible Debenture. Series IX Tranche I Date of maturity 26/12/2031 | 9.25% | 4.63 | - |
| 8.50% Secured Rated Listed Non Convertible Debentures. Series D15. Date Of Maturity 21/01/2032 | 8.50% | 10.00 | 10.00 |
| 8.60% Secured Rated Listed Redeemable Non Convertible Debentures. Series D16 Option A. Date Of Maturity 24/03/2032 | 8.60% | 60.00 | 60.00 |
| 9.00% Secured Rated Listed Non Convertible Debenture. Series D17. Date Of Maturity 15/07/2032 | 9.00% | 10.00 | 10.00 |
| 9.45% Secured Rated Listed Redeemable Non Convertible Debentures Series D20 Date Of Maturity 01/11/2032 | 9.45% | 137.52 | 137.49 |
| 8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures Series D23. Date Of Maturity 15/04/2024 | 8.50% | - | 125.00 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 9.12% G- Sec Linked Secured Rated Listed Principal Protected Redeemable Non Convertible Debentures. Series C 12. Date Of Maturity 25/04/2024 | 9.12% | - | 51.30 |
| 9.00% Secured Rated Annual Listed Redeemable Non convertible Debentures (MLD). Date of Maturity 30/04/2024 | 9.00% | - | 133.80 |
| 10.30% G- Sec Linked Secured Rated Unlisted Principal Protected Redeemable Non Convertible Debentures. Series C 14. Date Of Maturity 27/06/2024 | 10.30% | - | 20.00 |
| 8.50% G-Sec Linked Secured Rated Listed Principal Proctected Market Linked Redeemable Non Convertible Debentures Series D21 Date Of Maturity 25/07/2024 | 8.50% | - | 26.00 |
| 8.25% Gsec Linked Secured Rated Listed Principal Protected Market Linked Redeemable Non Convertible Debenture. Series D19. Date Of Maturity 02/09/2024 | 8.25% | - | 115.00 |
| 8.00% Gsec Linked Secured Rated Listed Redeemable Non Convertible Debentures. Series D14. Date Of Maturity 07/09/2024 | 8.00% | - | 100.00 |
| 8.50% Secured Rated Annual Listed Redeemable Non Convertible Debentures. Series III. Date Of Maturity 14/10/2024 | 8.50% | - | 92.83 |
| 8.50% Zero Coupon Secured Rated Cummulative Listed Redeemable Non Convertible Debentures. Series IV. Date Of Maturity 14/10/2024 | 8.50% | - | 56.79 |
| 8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series I Tranche II. Date Of Maturity 03/01/2025 | 8.25% | - | 225.72 |
| 8.25% Secured Rated Listed Redeemable Non Convertible Debenture. Series II Tranche II. Date Of Maturity 03/01/2025 | 8.25% | - | 26.73 |
| 8.50% Secured Rated Listed Non Convertible Debentures Redeemable Series I Date Of Maturity 24/01/2025 | 8.50% | - | 45.63 |
| 8.50% Secured Rated Listed Redeemable Non Convertible Debentures Series II Date Of Maturity 24/01/2025 | 8.50% | - | 30.07 |
| **Total** | | **13,458.08** | **7,420.66** |

* Includes hedging cost

**B. Unsecured**

(₹ in Crores)

| Description of security | Coupon/ yield | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| 10.00% Rated, Unsubordinated, Unsecured, Taxable, Transferable, Redeemable Nonconvertible Debenture. Maturity Date: 28/06/2026 | 10.00% | 25.00 | - |
| 10.48% Rated, Unsubordinated, Unsecured, Redeemable, Non-Convertible Debentures. Maturity Date: 28/02/2027 | 10.48% | - | 50.00 |
| 9.95% Rated, Subordinated, Unsecured,Taxable, Transferable, Redeemable Non-Convertible Debentures. Maturity Date: 28/03/2028 | 9.95% | 40.00 | - |
| 11.40% Rated, Listed, Unsubordinated, Unsecured, Redeemable, Transferable, Taxable, Non-Convertible Debentures. Maturity Date: 19/12/2024 | 11.40% | - | 37.50 |
| 10.75% Rated, Listed, Unsubordinated, Unsecured, Redeemable, Transferable, Taxable, Non-Convertible Debentures. Maturity Date: 24/02/2025 | 10.75% | - | 20.00 |
| **TOTAL** | | **65.00** | **107.50** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 20. BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

| Particulars | At amortized cost | |
|---|---|---|
| | As at March 31, 2025 | As at March 31, 2024 |
| **(A)** | | |
| (a) Term loan (refer note 20.1) | 27,490.11 | 30,450.20 |
| (i) From Banks, NHB and Financial Institutions (refer notes below) | | |
| (ii) From others | 427.58 | 1,250.94 |
| **Less:** Prepaid expenses | 122.12 | 152.62 |
| (b) Other loans (refer note (a)) | | |
| (i) Cash credit/ overdraft (refer note 20.2) | 1,544.95 | 2,203.15 |
| (ii) Securitization liability (refer note 20.2) | 1,657.60 | 255.45 |
| **Less:** Prepaid expenses | - | 1.56 |
| (c) Interest accrued but not due | 72.98 | 92.64 |
| (d) Payment pending adjustment | (12.50) | - |
| **Total (A)** | **31,058.60** | **34,098.20** |
| **(B)** | | |
| Borrowings in India | 27,897.35 | 30,147.37 |
| Borrowings outside India | 3,161.25 | 3,950.83 |
| **Total (B)** | **31,058.60** | **34,098.20** |

**Notes:**

(a) These loans are secured by way of a first pari-passu charge over the current assets in the form of receivables, book debts, bills, outstanding monies receivables including future movable assets, other than those specifically/exclusively charged.

(b) During the previous year, the Group borrowed ₹ 614.48 Crores (equivalent to US$ 75 Million) under External commercial borrowing. These are secured by way of a first ranking pari passu charge by way of hypothecation on all the borrower's charged asset in favour of the security holder in accordance with the Deed of Hypothecation.

(c) During the previous year, the Group borrowed ₹ 410.25 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu against all receivables/current assets of the borrower including book debts/receivables with both present and future but excluding book debt/receivables pertaining to capital market exposure and securitized asset .

(d) During the previous year, the Group borrowed ₹ 410.11 Crores (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge over all receivables/current assets of the borrower including book debts/receivables both present and future and which are "standard assets" but excluding book debt/ receivables pertaining to capital market exposure and securitized assets.

(e) During the previous year, the Group borrowed ₹ 416.68 Crores denominated in Japanese Yen (equivalent to US$ 50 Million) under External commercial borrowing. These are secured by way of first ranking pari passu charge on all present and future standard loan receivables (excluding the receivables given on exclusive charge, if any), book debts, loan and advances and current assets of the borrower.

(f) Out of the total borrowing from Banks, borrowings amounting to ₹ 20.00 Crores (As at March 31, 2024 ₹ 20.00 Crores) and Refinance Facility from NHB amounting to ₹ 240.33 Crores (As at March 31, 2024 ₹ 390.32 Crores) are guaranteed by Holding Company i.e. IIFL Finance Limited.

(g) The term loans from banks, Financial Institution and NHB and cash credits from banks are secured by way of first pari passu charge by way of hypothecation on receivables of the Company, both present and future, book debts, loans & advances, except those receivables present and/or future specifically and exclusively charged in Favor of certain existing charge holders. Further, borrowings from Financial Institution amounting to ₹ 378.68 Crores {before interest accrued but

not due, exchange fluctuation and EIR adjustments} (As at March 31, 2024 ₹ 413.10) are secured by way of first priority exclusive charge on the identified receivables of the Group.

(h) Borrowings from NHB includes ₹ 5,248.17 Crores (As at March 31, 2024 ₹ 4,401.16 Crores) secured by way of first exclusive charge on unencumbered individual housing loan portfolio in Favor of NHB.

(i) An amount of ₹ 450.00 Crores of Borrowings drawn down as at the end of March 2025 on which security creation is under progress as per the terms agreed with the lenders.

(j) Payment pending adjustment represent the payment made before the due date of ₹ 4.17 Crores and ₹ 8.33 Crores for the term loan to IDBI Bank Limited and Bandhan Bank Limited respectively, pending to be appropriated and hence disclosed separately.

## NOTE 20.1 - TERMS OF REPAYMENT FROM BANKS, NHB AND FINANCIAL INSTITUTIONS

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of Interest/ Yield | Amount (₹ in Crores) | Rate of Interest/ Yield | Amount (₹ in Crores) |
| **Term loans from Banks and Financial institutions:*** | | | | |
| **Fixed:** | | **4,432.74** | | **5,972.65** |
| More than 5 years | 5.84% | 149.18 | 5.84% | 198.84 |
| 3- 5 years | 5.84% - 9.85% | 191.80 | 5.75% - 9.85% | 341.80 |
| 1-3 years | 5.84% - 11.05% | 2,411.94 | 5.75% - 11.25% | 3,627.95 |
| Less than 1 year | 5.84% - 11.25% | 1,679.82 | 5.75% - 11.50% | 1,804.06 |
| **Floating:** | | **17,579.49** | | **19,686.07** |
| More than 5 years | 8.38% - 9.55% | 1,557.06 | 8.49% - 9.30% | 1,252.53 |
| 3- 5 years | 9.10% - 10.80% | 2,996.97 | 8.49% - 10.60% | 2,948.34 |
| 1-3 years | 8.14% - 11.15% | 7,155.27 | 8.39% - 11.10% | 7,810.29 |
| Less than 1 year | 7.86% - 11.15% | 5,870.19 | 8.35% - 11.10% | 7,674.91 |
| **Term loans from NHB:** | | | | |
| **Fixed:** | | **1,830.45** | | **4,137.72** |
| More than 5 years | 2.80% - 8.50% | 354.00 | 2.80% - 8.50% | 1,147.61 |
| 3- 5 years | 2.80% - 8.50% | 505.79 | 2.80% - 8.50% | 1,073.23 |
| 1-3 years | 2.80% - 9.00% | 691.14 | 2.80% - 9.00% | 1,261.96 |
| Less than 1 year | 2.80% - 9.00% | 279.52 | 2.80% - 9.00% | 654.92 |
| **Floating:** | | **3,647.42** | | **653.76** |
| More than 5 years | 8.25% - 8.50% | 1,384.11 | 8.10% - 8.35% | 288.08 |
| 3- 5 years | 8.25% - 8.60% | 888.56 | 8.10% - 8.35% | 153.97 |
| 1-3 years | 8.25% - 8.60% | 985.01 | 8.10% - 8.35% | 153.97 |
| Less than 1 year | 7.07% - 8.60% | 389.74 | 8.10% - 8.35% | 57.74 |
| **Term loans from others:**** | | | | |
| **Fixed:** | | **427.58** | | **1,250.94** |
| 1 - 3 Years | 9.20% | - | 9.20% | 416.89 |
| Less than 1 year | 8.62% | 427.58 | 8.62% | 834.05 |
| **Total** | | **27,917.68** | | **31,701.14** |

* The rate of interest for the above term loans is linked to marginal cost of funds based lending rate/ treasury bills plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

** The rate of interest for the above loan is linked to the benchmark plus appropriate spread.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 20.2 - TERMS OF REPAYMENT OF OTHER LOANS

| Residual maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of Interest/ Yield | Amount (₹ in Crores) | Rate of Interest/ Yield | Amount (₹ in Crores) |
| **Floating:** | | | | |
| Less than 1 year - CC/ ODFD *** | 6.85% - 10.55% | 1,544.95 | 6.70% - 9.75% | 2,203.15 |
| **Securitization:** | | **1,657.60** | | **255.45** |
| **Fixed:** | | **1,174.69** | | **110.44** |
| 1-3 years | 9.00%-13.00% | 467.33 | - | - |
| Less than 1 year | 9.00%-10.00% | 707.36 | 8.42% | 110.44 |
| **Floating:** | | **482.92** | | **145.01** |
| More than 5 years | 8.20% - 9.60% | 190.88 | 8.10% - 9.35% | 145.01 |
| 3- 5 years | 8.20% - 9.60% | 84.66 | | - |
| 1-3 years | 8.20% - 9.60% | 126.84 | | - |
| Less than 1 year | 8.20% - 9.60% | 80.54 | | - |
| **Total** | | **3,202.55** | | **2,458.60** |

***The rate of interest for the above loans is linked to base rate of Bank's plus applicable spread. The above categorization of loans has been based on the interest rates prevalent as on the respective reporting dates.

## NOTE 21. SUBORDINATED LIABILITIES

**Unsecured, Subordinated Non Convertible Debentures**

(₹ in Crores)

| Particulars | | At amortized cost | |
|---|---|---|---|
| | | As at March 31, 2025 | As at March 31, 2024 |
| | **(A)** | | |
| (i) | Non Convertible Debentures | 3,117.22 | 3,167.91 |
| | Less : Unamortised debenture issue expenses | 49.20 | 64.23 |
| (ii) | Interest accrued but not due | 169.17 | 334.85 |
| **Total (A)** | | **3,237.19** | **3,438.53** |
| | **(B)** | | |
| | Subordinated liabilities in India | 2,889.43 | 3,090.91 |
| | Subordinated liabilities outside India | 347.75 | 347.62 |
| **Total (B)** | | **3,237.18** | **3,438.53** |

## NOTE 21.1 - TERMS OF REPAYMENT

| Residual Maturity | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Rate of interest / yield | Amount (₹ in Crores) | Rate of interest / yield | Amount (₹ in Crores) |
| **Non Convertible Debenture and zero coupon bonds (Unsecured)** | | | | |
| **Fixed** | | **3,117.22** | | **3,167.91** |
| More than 5 years | 9.20% - 11.00% | 860.61 | 9.20% - 11.25% | 757.00 |
| 3- 5 Years | 9.47% - 11.25% | 2,039.90 | 8.70% - 11.25% | 2,279.20 |
| 1-3 Years | 8.70% - 9.05% | 185.00 | 10.00% - 10.50% | 31.71 |
| Less than 1 year | 10.00% - 10.50% | 31.71 | 9.05% - 10.24% | 100.00 |
| **Total** | | **3,117.22** | | **3,167.91** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Notes:**

(a) Non Convertible Debentures – Includes redeemable non-convertible debenture which carries call option and contain a repayment clause by way of reduction in face value ₹31.02 Crore (from August 07, 2024) and ₹15.45 Crore (from August 07,2024) {As at March 31, 2024 ₹50.00 Crore (from May 28, 2024), Rs. 31.02 Crore (from August 07, 2024) and ₹15.45 Crore (from August 07, 2024)}.

(b) Unsecured Non convertible Debentures - Sub Debt includes redeemable non convertible debentures carrying call option of ₹10.00 Crores (from February 28, 2024), ₹ 40.00 Crores. (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025) {As at March 31, 2024 ₹ 10.00 Crores (from February 28, 2024), ₹ 126.52 Crores (from May 14, 2024), ₹ 40.00 Crores (from June 18, 2025) and ₹ 30.00 Crores (from July 14, 2025)}.

## NOTE 21.2 - NON CONVERTIBLE DEBENTURES - INSTRUMENT WISE DETAILS

(₹ in Crores)

| Description of security | Coupon/ Yield | As at March 31,2025 | As at March 31, 2024 |
|---|---|---|---|
| 10.00% Unsecured Redeemable Non Convertible Debentures. Tranche II. Series V. Date Of Maturity 06/06/2025 | 10.00% | 25.93 | 25.93 |
| 10.50% Zero Coupon Unsecured Redeemable Non Convertible Debentures. Tranche II. Series VI. Date Of Maturity 06/06/2025 | 10.50% | 5.78 | 5.78 |
| 8.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series U06. Date of maturity - 27/07/2027 | 8.85% | 75.00 | 75.00 |
| 8.70% Unsecured Redeemable Non-Convertible Subordinated Debentures – Series U03. Date Of Maturity 19/11/2027 | 8.70% | 100.00 | 100.00 |
| 9.05% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U08. Date of maturity - 28/02/2028 | 9.05% | 10.00 | 10.00 |
| 9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U09. Date of maturity - 16/06/2028 | 9.85% | 40.00 | 40.00 |
| 10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series I . Date Of Maturity 24/06/2028 | 10.00% | 274.69 | 274.69 |
| 9.60% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series II . Date Of Maturity 24/06/2028 | 9.60% | 328.02 | 328.02 |
| 10.03% Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Debenture. Series III . Date Of Maturity 24/06/2028 | 10.03% | 68.14 | 68.14 |
| 9.00% India Infoline (Regs) 18-2028_Rupee Denominated Bond. Date Of Maturity 28/06/2028 | 9.00% | 325.00 | 325.00 |
| 9.85% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures U010. Date of maturity - 13/07/2028 | 9.85% | 30.00 | 30.00 |
| 11.25% Subordinated, Redeemable Non-Convertible Debentures. Maturity Date: 19/07/2028 | 11.25% | 150.00 | 150.00 |
| 9.40% Zero Coupon G-Sec Linked Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series Ua3. Date of maturity - 11/08/2028 | 9.40% | - | 126.30 |
| 9.35% Zero Coupon Unsecured Rated Listed Redeemable Non Convertible Subordinated Debentures IIFL Mld-2028. Series U04. Date Of Maturity 25/08/2028 | 9.35% | - | 50.00 |
| 10.00% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series I. Date of maturity - 03/11/2028 | 10.00% | 232.72 | 232.72 |
| 9.60% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series II. Date of maturity - 03/11/2028 | 9.60% | 382.82 | 382.82 |
| 10.02% Rated Listed Unsecured Subordinated Redeemable Non-Convertible Debentures Series III. Date of maturity - 03/11/2028 | 10.02% | 40.28 | 40.28 |
| 10.00% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series V. Date Of Maturity 07/02/2029 | 10.00% | 30.77 | 30.77 |
| 10.50% Unsecured Rated Listed Redeemable Non Convertible Debenture. Series VI. Date Of Maturity 07/02/2029 | 10.50% | 15.45 | 15.45 |
| 11.25% Rated, Listed, Subordinated, Unsecured, Redeemable Non-Convertible Debentures. Maturity Date: 02/04/2029 | 11.25% | 25.00 | 25.00 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Description of security | Coupon/ Yield | As at March 31,2025 | As at March 31, 2024 |
|---|---|---|---|
| 10.77% Rated, Listed, Subordinated, Unsecured, Transferable, Redeemable Non-Convertible Debentures. Maturity Date: 07/02/2030 | 10.77% | 97.00 | 97.00 |
| 11.00% Rated, Listed, Subordinated, Unsecured, Redeemable Non-Convertible Debentures. Maturity Date: 18/05/2030 | 11.00% | 150.00 | 150.00 |
| 11.00% Rated, Listed, Subordinated, Unsecured, Redeemable Non-Convertible Debentures. Maturity Date: 13/06/2030 | 11.00% | 100.00 | 100.00 |
| 9.35% Unsecured Rated Listed Subordinated Redeemable Non Convertible Debenture Series D16 Option B.Date Of Maturity 24/03/2032 | 9.35% | 50.00 | 50.00 |
| 9.65% Unsecured Rated Listed Subordinate Tier Ii Non Convertible Debenture. Series D18. Date Of Maturity 26/07/2032 | 9.65% | 235.00 | 235.00 |
| 9.45% Unsecured Rated Listed Redeemable Non Convertible Debentures Series D22 Date Maturity 27/12/2032 | 9.45% | 65.00 | 65.00 |
| 9.20% Unsecured Rated Listed Redeemable Subordinate Tier 2 Non Convertible Series D24 Date Of Maturity 08/05/2033 | 9.20% | 35.00 | 35.00 |
| 9.50% Unsecured Rated Listed Redeemable Subordinated Tier 2 Non-Convertible Debenture Series D26 Date Of Maturity 16/10/2034 | 9.50% | 125.62 | - |
| 9.50% Unsecured Rated Listed Redeemable Tier Ii Non Convertible Debenture Series D30 Mate Of Maturity 16/10/2034 | 9.50% | 100.00 | - |
| 10.24% Unsecured, Subordinated, Market Linked, Redeemable Non-Converible Debentures. Maturity Date: 19/04/2024 | 10.24% | - | 21.85 |
| 10.15% Unsecured, Subordinated, Market Linked, Redeemable Non-Converible Debentures. Maturity Date: 19/04/2024 | 10.15% | - | 67.15 |
| 9.05% Unsecured, Subordinated, Market Linked, Redeemable Non-Converible Debentures. Maturity Date: 19/04/2024 | 9.05% | - | 11.01 |
| **Total** | | **3,117.22** | **3,167.91** |

## NOTE 22. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Temporary overdrawn bank balances | 826.84 | 952.04 |
| Payable on account of assignment/securitisation | 408.90 | 1,496.80 |
| Payables towards NCD (refer note 22.1) | 1.23 | 1.55 |
| Unclaimed dividend and redemption proceeds of NCDs | 4.89 | 4.93 |
| Accrued Salaries & Benefits | 22.81 | 33.80 |
| Other payables (auction proceeds, retention payable, etc.) | 202.91 | 170.20 |
| **Total** | **1,467.58** | **2,659.32** |

**Note 22.1**: During the year, amount of ₹ 0.23 crores (previous year ₹ 0.95 crores) was transferred to Investor Education and Protection Fund (IEPF). As of March 31, 2025, ₹0.01 crores. (previous year ₹0.00 crores) was due for transfer to the IEPF.

## NOTE 23. PROVISIONS

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Provision for employee benefits | 38.92 | 22.99 |
| Provision for leave encashment | 41.32 | 33.47 |
| Provision for gratuity (refer note 33.2) | 30.44 | 25.67 |
| Other provisions | 9.96 | 8.20 |
| Expected loan loss provision on loans sanctioned but undrawn | 2.04 | 1.48 |
| **Total** | **122.68** | **91.81** |

## NOTE 24. OTHER NON-FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Income received in advance | 13.13 | 11.50 |
| Advances from customers | 144.46 | 136.15 |
| Others | 17.21 | 6.89 |
| Statutory remittances | 49.45 | 57.25 |
| **Total** | **224.25** | **211.79** |

## NOTE 25: EQUITY SHARE CAPITAL

### (i) Authorised, Issued, Subscribed and Paid-up Share Capital

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Authorised Share Capital** | | |
| 2,355,250,000 Equity Shares (previous year 2,355,250,000) of ₹ 2 each | 471.05 | 471.05 |
| 500,000,000 Preference Shares (previous year 500,000,000) of ₹ 10 each | 500.00 | 500.00 |
| **Total** | **971.05** | **971.05** |
| **Issued, Subscribed and Paid-up Share Capital** | | |
| 42,45,16,570 Equity Shares (previous year 38,15,48,435) of ₹ 2 each fully paid with voting rights | 84.90 | 76.31 |
| **Total** | **84.90** | **76.31** |

### (ii) Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in crores | No. of Shares | ₹ in crores |
| **Equity Shares** | | | | |
| At the beginning of the year | 38,15,48,435 | 76.31 | 38,04,30,389 | 76.09 |
| Add: Shares issued during the year | 4,29,68,135 | 8.59 | 11,18,046 | 0.22 |
| **Outstanding at the end of the year** | **42,45,16,570** | **84.90** | **38,15,48,435** | **76.31** |

### (iii) Rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. During the year ended March 31, 2025, equity shareholders were paid an interim dividend of ₹ Nil (previous year ₹ 4.00/-) per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (iv) 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 | % Holdings | No. of shares | % Holdings |
| **Equity shares of ₹ 2 each fully paid up** | | | | |
| FIH Mauritius Investments Ltd. | 6,45,52,521 | 15.20% | 5,76,41,445 | 15.11% |
| Nirmal Bhanwarlal Jain | 5,34,40,570 | 12.59% | 4,77,19,154 | 12.51% |
| Smallcap World Fund, Inc | 2,18,73,820 | 5.15% | 2,70,53,256 | 7.09% |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**(v) Details of Shareholding of Promoters**

**As at March 31, 2025**

| Promoter name | No. of Shares | % of total shares | % Change during the year* |
|---|---|---|---|
| Nirmal Bhanwarlal Jain | 5,34,40,570 | 12.59% | 0.08% |
| Madhu N Jain | 1,35,22,764 | 3.19% | 0.03% |
| Venkataraman Rajamani | 1,23,01,441 | 2.90% | 0.02% |
| Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust) | 1,11,11,111 | 2.62% | 0.00% |
| Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust) | 1,00,00,000 | 2.36% | 0.00% |
| Aditi Athavankar | 2,22,222 | 0.05% | 0.00% |
| Ardent Impex Pvt Ltd | 36,32,115 | 0.86% | 0.00% |
| Orpheus Trading Pvt Ltd | 14,44,444 | 0.34% | 0.00% |
| **Total** | **10,56,74,667** | **24.89%** | |

* The change in percentage is due to dilution of share capital due to allotment under ESOP scheme(s) and issuance of shares through rights issue.

**As at March 31, 2024**

| Promoter name | No. of Shares | % of total shares | % Change during the year* |
|---|---|---|---|
| Nirmal Bhanwarlal Jain | 4,77,19,154 | 12.51% | (0.03%) |
| Madhu N Jain | 1,20,75,000 | 3.16% | (0.01%) |
| Venkataraman Rajamani | 1,09,84,432 | 2.88% | (0.01%) |
| Mansukhlal Jain and Pritesh Ashwin Mehta (in their capacity as Trustees of Nirmal Madhu Family Private Trust) | 1,00,00,000 | 2.62% | (0.01%) |
| Aditi Avinash Athavankar (in her capacity as Trustee of Kalki Family Private Trust) | 90,00,000 | 2.36% | (0.01%) |
| Aditi Athavankar | 2,00,000 | 0.05% | 0.00% |
| Ardent Impex Pvt Ltd | 32,68,904 | 0.86% | 0.00% |
| Orpheus Trading Pvt Ltd | 13,00,000 | 0.34% | 0.00% |
| **Total** | **9,45,47,490** | **24.78%** | |

* The change in percentage is due to dilution of share capital due to allotment under ESOP scheme(s) and issuance of shares through rights issue.

**(vi)** During the period of five years immediately preceding the Balance Sheet date, the parent Company has not issued any shares without payment being received in cash or by way of bonus shares or shares bought back.

**(vii)** Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestments, including the terms and amount. Refer note 40 for details of shares reserved for issue under Employee Stock Option Plan of the Group.

**(viii)** Pursuant to the Board of Directors approval dated March 13, 2024, for issue of equity shares up to by way of rights issue ('Rights Issue") for an amount not exceeding ₹ 1,500.00 crores, the parent Company had filed Letter of Offer on April 17, 2024. The issue opened for subscription on April 30, 2024, and closed on May 14, 2024. The SIC Committee on May 17, 2024, approved the allotment of 4,23,94,270 fully paid-up equity shares at a price of ₹ 300.00/- per equity share (Including premium of ₹ 298.00/- per equity share) aggregating to ₹ 1,271.83 crores to the eligible shareholders and the same has been allotted on May 17, 2024.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 25.1: OTHER EQUITY

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Share application money** | **0.23** | **0.49** |
| **Capital Reserve** | | |
| Opening Balance | 85.49 | 85.49 |
| **Add:** Addition during the year | 24.62 | - |
| **Closing balance** | **110.11** | **85.49** |
| **Securities Premium Reserve** | | |
| Opening Balance | 3,450.91 | 3,427.32 |
| **Add:** Share issue expenses | (4.50) | - |
| **Add:** Addition during the year | 1,273.29 | 19.20 |
| **Add :** Transfer to reserves | 2.22 | 4.39 |
| **Closing balance** | **4,721.92** | **3,450.91** |
| **General Reserve** | | |
| Opening Balance | 624.50 | 624.95 |
| **Add/(Less):** Change in minority | - | - |
| **Add/(Less):** Transfer to/ (from) reserves | 4.91 | (0.45) |
| **Closing Balance** | **629.41** | **624.50** |
| **Special Reserve Pursuant to Section 45 IC of Reserve Bank of India Act, 1934** | | |
| Opening Balance | 1,249.30 | 1,032.11 |
| **Add/(Less):** Transfer to/ (from) reserves | 4.04 | 217.19 |
| **Closing Balance** | **1,253.34** | **1,249.30** |
| **Special Reserve Pursuant to Section 29C of National Housing Bank Act, 1987** | | |
| Opening Balance | 674.08 | 468.68 |
| **Add/(Less):** Transfer to/ (from) reserves | 200.00 | 205.40 |
| **Closing Balance** | **874.08** | **674.08** |
| **Capital Redemption Reserve** | **230.11** | **230.11** |
| **Debenture Redemption Reserve** | **12.80** | **12.80** |
| **Retained Earnings** | | |
| Opening Balance | 4,184.59 | 3,026.10 |
| **Add:** Profit for the year | 378.77 | 1,763.54 |
| **Less:** Interim dividend | - | (182.24) |
| **Add:** Change in minority | (2.69) | (0.22) |
| **Add/(Less):** Transfer to/ (from) reserves | (204.04) | (422.59) |
| **Closing Balance** | **4,356.63** | **4,184.59** |
| **Share Options Outstanding Account** | | |
| Opening Balance | 65.42 | 9.65 |
| **Add:** Addition during the year | 108.61 | 59.71 |
| **Add/(Less):** Transfer to/ (from) reserves | (7.13) | (3.94) |
| **Closing Balance** | **166.90** | **65.42** |
| **Effective portion of Cash Flow Hedges** | | |
| Opening Balance | (14.34) | (4.63) |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Add:** Other comprehensive income/ (loss) | (5.04) | (9.71) |
| **Closing Balance** | **(19.38)** | **(14.34)** |
| **Fair value of loans carried at FVTOCI** | | |
| Opening Balance | 7.82 | 9.09 |
| **Add:** Other comprehensive income/ (loss) | (3.58) | (1.27) |
| **Closing Balance** | **4.24** | **7.82** |
| **Remeasurements of defined benefit** | | |
| Opening Balance | (10.49) | (5.70) |
| **Add:** Other comprehensive income / (loss) | (2.61) | (4.79) |
| **Closing Balance** | **(13.10)** | **(10.49)** |
| **Total** | **12,327.30** | **10,560.68** |

**Non-Controlling Interest**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Opening Balance | 1,419.45 | 1,210.08 |
| Profit for the year | 199.39 | 210.68 |
| Other comprehensive income | (2.04) | (1.53) |
| Change in minority | (74.02) | 0.22 |
| **Closing Balance** | **1,542.78** | **1,419.45** |

## NOTE 26.1 INTEREST INCOME

(₹ in Crores)

| Particulars | FY 2024-25 | | | | FY 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | On financial assets measured at amortised cost | On financial assets classified at fair value through profit or loss | On financial assets classified at fair value through OCI | Total | On financial assets measured at amortised cost | On financial assets classified at fair value through profit or loss | On financial assets classified at fair value through OCI | Total |
| Interest on loans | 8,301.07 | 18.42 | 984.18 | **9,303.67** | 8,742.70 | 23.67 | 824.07 | **9,590.44** |
| Interest on investments | 6.61 | 59.55 | - | **66.16** | 34.58 | 38.39 | - | **72.97** |
| Interest on deposits with banks* | 134.46 | - | - | **134.46** | 155.35 | - | - | **155.35** |
| Interest on inter corporate deposit | - | - | - | **-** | 19.87 | - | - | **19.87** |
| **Total** | **8,442.14** | **77.97** | **984.18** | **9,504.29** | **8,952.50** | **62.06** | **824.07** | **9,838.63** |

*Includes interest income on security deposits

## NOTE 26.2 DIVIDEND INCOME

The Group received dividend income amounting to ₹ 2.19 crore (previous year ₹ 0.06 crore).

## NOTE 27. FEES AND COMMISSION INCOME

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Administration Fees & Other charges | 288.44 | 248.48 |
| Insurance Commission | 197.20 | 162.59 |
| **Total** | **485.64** | **411.07** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 28. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| On trading portfolio | | |
| - Investments | 225.71 | (159.59) |
| - Others | (6.93) | (36.42) |
| Fair value changes | | |
| - Realised | 241.22 | 73.38 |
| - Unrealised | (22.44) | (269.39) |
| **Total net gain/(loss) on fair value changes** | **218.78** | **(196.01)** |

## NOTE 29. OTHER INCOME

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Interest on income tax refund | 0.71 | 0.79 |
| Profit on sale of fixed assets | 0.06 | 18.13 |
| Marketing, advertisement and support service fees | 22.45 | 221.49 |
| Miscellaneous income | 2.95 | 0.30 |
| **Total** | **26.17** | **240.71** |

## NOTE 30. FINANCE COST

(₹ in Crores)

| Particulars | On financial liabilities measured at amortized cost | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| Interest on debt securities | 922.77 | 655.48 |
| Interest on borrowings (other than debt securities) | 2,728.33 | 2,675.62 |
| Interest on subordinated liabilities | 311.94 | 325.33 |
| Interest on inter corporate deposit | 0.01 | 2.38 |
| Interest expense on lease - Ind AS 116 | 48.03 | 39.35 |
| Other borrowing cost | 158.44 | 169.62 |
| **Total** | **4,169.52** | **3,867.78** |

**Note 30.1:** Includes foreign currency expenditure on accrual basis amounting to ₹482.90 crore (previous year ₹401.72 crore)

## NOTE 31. NET (GAIN)/ LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER FVTOCI

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **(A) Net (gain) / loss on derecognition of financial instruments under FVTOCI** | | |
| - Interest strip on assignment of loans | 312.56 | 136.79 |

## NOTE 32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Crores)

| Particulars | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | On financial assets measured at amortised cost | On financial assets classified at fair value through OCI | Total | On financial assets measured at amortised cost | On financial assets classified at fair value through OCI | Total |
| Loans (refer note 8.3) | (5.43) | (7.94) | (13.37) | (14.80) | 13.10 | **(1.70)** |
| Bad debts written off (net) | 1,519.66 | - | 1,519.66 | 911.13 | | **911.13** |
| Other financial assets | (8.25) | - | (8.25) | 1.86 | - | **1.86** |
| **Total** | **1,505.98** | **(7.94)** | **1,498.04** | **898.19** | **13.10** | **911.29** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 33. EMPLOYEE BENEFIT EXPENSES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Salaries | 1,588.34 | 1,444.17 |
| Contribution to provident and other funds (refer note 33.1) | 92.65 | 88.52 |
| Leave encashment | 17.32 | 19.50 |
| Gratuity (refer note 33.2) | 14.08 | 9.91 |
| Staff welfare expenses* | 67.91 | 63.13 |
| Share based payments | 108.47 | 59.62 |
| **Total** | **1,888.77** | **1,684.85** |

**Includes foreign currency expenditure on accrual basis amounting to ₹0.02 crore (previous year ₹0.05 crore)*

## 33.1 DEFINED CONTRIBUTION PLANS

The Group has recognised the following amounts as an expense and included in the Employee benefit expenses

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Contribution to Provident fund | 57.51 | 52.04 |
| Contribution to Employee State Insurance Corporation | 10.95 | 12.28 |
| Contribution to Labour welfare fund | 0.28 | 0.25 |
| Company contribution to employee pension scheme | 22.79 | 22.99 |
| Contribution to NPS | 1.12 | 0.96 |
| **Total** | **92.65** | **88.52** |

## 33.2 GRATUITY DISCLOSURE STATEMENT

| Particulars | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | IIFL Finance | IIFL HFC | IIFL Samasta | IIFL Finance | IIFL HFC | IIFL Samasta |
| Type of Benefit | Gratuity | | | Gratuity | | |
| Country | India | | | India | | |
| Reporting Currency | ₹ | | | ₹ | | |
| Reporting Standard | Indian Accounting Standard 19 (Ind AS 19) | | | Indian Accounting Standard 19 (Ind AS 19) | | |
| Funding Status | Funded | | | Funded | | |
| Starting Period | 01-Apr-24 | | | 01-Apr-23 | | |
| Date of Reporting | 31-Mar-25 | | | 31-Mar-24 | | |
| Period of Reporting | 12 Months | | | 12 Months | | |

| Assumptions | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| Expected Return on Plan Assets | 6.72% - 6.92% | | | 7.16% - 7.20% | | |
| Rate of Discounting | 6.72% - 6.92% | | | 7.16% - 7.20% | | |
| Rate of Salary Increase | 6.00% - 9.00% | | | 6.00% - 9.00% | | |
| Rate of Employee Turnover | For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a. | For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a. | For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a | For service 4 years and below 28.00% p.a. For service 5 years and above 2.00% p.a. | For service 4 years and below 28.00% p.a. For service 5 years and above 1.00% p.a. | For service 4 years and below: 35%p.a For service 5 years and above: 10% p.a |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Ultimate) | | | Indian Assured Lives Mortality 2012-14 (Ultimate) | | |
| Mortality Rate After Employment | N.A. | | | N.A. | | |

**Table Showing Change in the Present Value of Projected Benefit Obligation**

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Present Value of Benefit Obligation at the Beginning of the Year** | **53.75** | **40.82** |
| Interest Cost | 3.86 | 3.03 |
| Current Service Cost | 12.24 | 9.21 |
| Past Service Cost | - | - |
| Liability Transferred In/ Acquisitions | 0.20 | 0.08 |
| (Liability Transferred Out/ Divestments) | (0.19) | (0.04) |
| (Gains)/ Losses on Curtailment | - | - |
| (Liabilities Extinguished on Settlement) | - | - |
| (Benefit Paid Directly by the Employer) | - | - |
| (Benefit Paid From the Fund) | (7.71) | (6.63) |
| The Effect Of Changes in Foreign Exchange Rates | - | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions | - | - |
| Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions | 1.47 | 1.61 |
| Actuarial (Gains)/Losses on Obligations - Due to experience adjustments | 2.56 | 5.67 |
| **Present Value of Benefit Obligation at the End of the Year** | **66.18** | **53.75** |

(₹ in Crores)

| Table Showing Change in the Fair Value of Plan Assets | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Fair Value of Plan Assets at the Beginning of the Year** | **28.07** | **31.17** |
| Interest Income | 2.02 | 2.32 |
| Contributions by the Employer | 13.00 | 0.49 |
| Expected Contributions by the Employees | - | - |
| Assets transferred in/ acquisitions | - | - |
| (Assets Transferred Out/ Divestments) | - | - |
| (Benefit Paid from the Fund) | (7.71) | (6.63) |
| (Assets Distributed on Settlements) | - | - |
| Effects of Asset Ceiling | - | - |
| The Effect of Changes In Foreign Exchange Rates | - | - |
| Return on Plan Assets, Excluding Interest Income | 0.35 | 0.73 |
| **Fair Value of Plan Assets at the End of the Year** | **35.73** | **28.08** |

(₹ in Crores)

| Amount Recognized in the Balance Sheet | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **(Present Value of Benefit Obligation at the end of the Year)** | **(66.18)** | **(53.75)** |
| Fair Value of Plan Assets at the end of the Year | 35.74 | 28.08 |
| Funded Status (Surplus/ (Deficit)) | (30.44) | (25.67) |
| Net (Liability)/Asset Recognized in the Balance Sheet | (30.44) | (25.67) |
| Liabilities recognised in the Balance Sheet under "Provisions" | (30.44) | (25.67) |

(₹ in Crores)

| Net Interest Cost for Current Year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Present Value of Benefit Obligation at the Beginning of the Year | 53.75 | 40.82 |
| (Fair Value of Plan Assets at the Beginning of the Year) | (28.07) | (31.17) |
| **Net Liability/(Asset) at the Beginning** | **25.67** | **9.65** |
| Interest Cost | 3.86 | 3.03 |
| (Interest Income) | (2.02) | (2.32) |
| **Net Interest Cost for Current Year** | **1.84** | **0.71** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Expenses Recognized in the Statement of Profit or Loss for Current Year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Current Service Cost | 12.24 | 9.21 |
| Net Interest Cost | 1.84 | 0.70 |
| Past Service Cost | - | - |
| **Expenses Recognized** | **14.08** | **9.91** |

(₹ in Crores)

| Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Actuarial (Gains)/Losses on Obligation For the Year | 4.03 | 7.29 |
| Return on Plan Assets, Excluding Interest Income | (0.34) | (0.72) |
| Change in Asset Ceiling | - | - |
| **Net (Income)/Expense For the Year Recognized in OCI** | **3.69** | **6.57** |

(₹ in Crores)

| Balance Sheet Reconciliation | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Opening Net Liability | 25.67 | 9.64 |
| Expenses Recognized in Statement of Profit or Loss | 14.08 | 9.91 |
| Expenses Recognized in OCI | 3.69 | 6.57 |
| Net Liability/(Asset) Transfer In | 0.18 | 0.08 |
| Net (Liability)/Asset Transfer Out | (0.18) | (0.04) |
| (Benefit Paid Directly by the Employer) | - | - |
| (Employer's Contribution) | (13.00) | (0.49) |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **30.44** | **25.67** |

(₹ in Crores)

| Category of Assets | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Government of India Assets | - | - |
| State Government Securities | - | - |
| Special Deposits Scheme | - | - |
| Debt Instruments | - | - |
| Corporate Bonds | - | - |
| Cash And Cash Equivalents | 0.00 | 0.00 |
| Insurance fund | 35.74 | 28.08 |
| Asset-Backed Securities | - | - |
| Structured Debt | - | - |
| Other | - | - |
| **Total** | **35.74** | **28.08** |

(₹ in Crores)

| Maturity Analysis of the Benefit Payments: From the Fund | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Projected Benefits Payable in Future Years From the Date of Reporting** | | |
| 1st Following Year | 4.51 | 5.07 |
| 2nd Following Year | 2.10 | 1.66 |
| 3rd Following Year | 2.68 | 1.84 |
| 4th Following Year | 2.60 | 2.31 |
| 5th Following Year | 2.83 | 2.21 |
| Sum of Years 6 To 10 | 16.05 | 12.77 |
| Sum of Years 11 and above | 175.30 | 149.57 |

(₹ in Crores)

| Sensitivity Analysis | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Projected Benefit Obligation on Current Assumptions | 66.17 | 53.74 |
| Delta Effect of +1% Change in Rate of Discounting | (8.40) | (6.68) |
| Delta Effect of -1% Change in Rate of Discounting | 9.36 | 7.36 |
| Delta Effect of +1% Change in Rate of Salary Increase | 9.23 | 7.27 |
| Delta Effect of -1% Change in Rate of Salary Increase | (7.83) | (6.15) |
| Delta Effect of +1% Change in Rate of Employee Turnover | (0.26) | (0.03) |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.27 | (0.03) |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years."

**Notes**

Actuarial gains/losses are recognised in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Salary escalation & attrition rate are in line with the industry practice considering promotion and demand and supply of the employees.

Maturity analysis of benefit payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above.

Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Value of asset is considered as fair value of plan asset for the period of reporting.

Expected Rate of Return taken same as discount rate as described in Indian Accounting Standard 19.

Expected Contribution in the next year is considered as the sum of net liability/assets at the end of the current year and current service cost for next year, subject to maximum allowable contribution to the Plan Assets over the next year as per the Income Tax Rules.

## QUALITATIVE DISCLOSURES

**Characteristics of defined benefit plan**

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. During the year, there were no plan amendments, curtailments and settlements.

The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the following risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset liability matching risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance entity and a default will wipe out all the assets. Although probability of this is very less as insurance Companies have to follow regulatory guidelines.

## NOTE 34. DEPRECIATION, AMORTISATION AND IMPAIRMENT

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Depreciation on property, plant and equipment | 72.64 | 75.02 |
| Depreciation on right to use assets | 111.91 | 103.15 |
| Depreciation on investment property | 0.14 | 0.13 |
| Amortisation on other intangible assets | 3.88 | 2.52 |
| **Total** | **188.57** | **180.82** |

## NOTE 35. OTHER EXPENSES

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Advertisement and marketing expenses* | 59.65 | 171.75 |
| Direct operating expenses | 74.95 | 74.30 |
| Bank charges* | 26.87 | 27.79 |
| Communication costs | 15.41 | 14.99 |
| Electricity | 26.73 | 24.99 |
| Exchange and statutory charges* | 6.17 | 4.41 |
| Legal & professional fees* | 169.68 | 168.65 |
| Sitting fees and commission | 4.40 | 3.14 |
| Office expenses* | 23.30 | 21.56 |
| Postage & courier | 5.94 | 8.04 |
| Printing & stationery | 7.27 | 13.30 |
| Rates & taxes | 1.35 | 5.03 |
| Rent | 52.88 | 45.35 |
| Repairs & maintenance | | |
| - Computer | 1.53 | 2.30 |
| - Others | 24.14 | 26.68 |
| Remuneration to auditors | | |
| - Audit fees | 2.60 | 2.25 |
| - Certification / other services** | 0.43 | 0.60 |
| - Out of pocket expenses | 0.38 | 0.27 |
| Software charges* | 106.79 | 82.97 |
| Travelling & conveyance* | 103.21 | 87.76 |
| Corporate social responsibility expenses (refer note 44) | 42.20 | 31.17 |

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Miscellaneous expenses* | 3.52 | 5.41 |
| Insurance premium | 28.01 | 18.59 |
| Security expenses | 98.63 | 99.69 |
| Loss on sale of fixed assets | 0.06 | 0.03 |
| **Total** | **886.10** | **941.02** |

**Includes below expenses incurred in foreign currency on accrual basis*

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Advertisement and marketing expenses | 0.78 | 7.38 |
| Legal & professional fees | 2.95 | 0.12 |
| Exchange and statutory charges | 0.10 | - |
| Software charges | 1.99 | 1.75 |
| Travelling & conveyance | 0.06 | 0.16 |
| Bank Charges | 0.00 | - |
| Office expenses | 0.01 | 0.00 |
| Miscellaneous expenses | (0.06) | 0.06 |

*0.00 denotes amount less than ₹ fifty thousand*

***During the year the Group has paid ₹1.33 crore (previous year ₹0.27 crore) to the auditors towards certification required under its public issue of Non Convertible Debentures, the same has been amortised over the tenure of the borrowings.*

## NOTE 36. INCOME TAXES

(₹ in Crores)

| Amounts recognised in statement of profit or loss | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Current tax expense** | | |
| Current year | 365.76 | 610.57 |
| Changes in estimates related to prior years | (6.55) | (2.40) |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | (230.36) | (10.48) |
| **Total** | **128.85** | **597.69** |

(₹ in Crores)

| Amounts recognised in other comprehensive income | FY 2024-25 | | |
|---|---|---|---|
| | Before tax | Tax expense | Net of tax |
| Remeasurements of defined benefit liability/ (asset) | (3.69) | 0.93 | **(2.76)** |
| Cash flow hedge (net) | (8.04) | 2.03 | **(6.01)** |
| Fair value of loans carried at FVTOCI | (6.01) | 1.51 | **(4.50)** |
| **Total** | **(17.74)** | **4.47** | **(13.27)** |

(₹ in Crores)

| Amounts recognised in other comprehensive income | FY 2023-24 | | |
|---|---|---|---|
| | Before tax | Tax expense | Net of tax |
| Remeasurements of defined benefit liability/ (asset) | (6.58) | 1.66 | **(4.92)** |
| Cash flow hedge (net) | (14.96) | 3.77 | **(11.19)** |
| Fair value of loans carried at FVTOCI | (1.59) | 0.40 | **(1.19)** |
| **Total** | **(23.13)** | **5.83** | **(17.30)** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Reconciliation of income tax expense of the year to accounting year | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Profit before tax** | **707.01** | **2,571.91** |
| **Tax using the Group's domestic tax rate** | 177.94 | 680.50 |
| Tax effect of: | | - |
| Non-deductible expenses | 12.77 | 8.78 |
| Tax-exempt income - others (includes deduction under section 80JJAA) | (42.58) | (44.72) |
| Tax-exempt income- dividend | (0.55) | (33.23) |
| Income taxed at different rates | (3.90) | (1.32) |
| Others | (11.71) | (12.00) |
| Adjustments for current tax for prior periods | (6.55) | (2.40) |
| De-recognition of previously recognised deductible temporary differences | 3.43 | 2.08 |
| Past-year losses for which no deferred tax asset is recognised | - | - |
| Recognition of previously unrecognised deductible temporary differences | - | - |
| **Total income tax expense** | **128.85** | **597.69** |

## NOTE 37. EARNINGS PER SHARE

Basic and Diluted Earnings Per Share ["EPS"] computed in accordance with INDAS 33 "Earnings per share".

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Face value of equity shares in ₹ fully paid up | 2.00 | 2.00 |
| **BASIC** | | |
| Profit after tax as per statement of Profit and Loss (₹ in crore) | 378.77 | 1,763.54 |
| Profit after tax attributable to equity share holders (₹ in crore) (A) | 378.77 | 1,763.54 |
| Weighted average number of equity shares outstanding (B) | 41,77,86,475 | 38,10,07,838 |
| **Basic EPS (In ₹) (A)/(B)** | **9.07** | **46.29** |
| **DILUTED** | | |
| Profit after tax attributable to equity share holders (₹ in crores) for calculating Diluted EPS (C) | 378.77 | 1,763.54 |
| Weighted average number of equity shares for computation of basic EPS | 41,77,86,475 | 38,10,07,838 |
| **Add:** Potential equity shares on account conversion of Employees Stock Options | 1,59,45,282 | 48,24,533 |
| Weighted average number of equity shares for computation of diluted EPS | 43,37,31,756 | 38,58,32,371 |
| **Diluted EPS (In ₹)** | **8.73** | **45.71** |

## NOTE 38. RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

Risk management is integral to the Group's strategy. An enterprise wide risk management framework is in place to govern the Group's risk management processes. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed to ensure minimal impact on the Group's growth and performance. The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage.

A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement.

The comprehensive understanding of risk management throughout the various levels of an organization aids in driving key decisions related to risk-return balance, capital allocation and product pricing. The Group operates under the guidance of the

Board approved risk appetite statement that covers business composition, guidance around gross non-performing assets and net non-performing assets, leverage, funding and liquidity, etc.

Additionally, it is also ensured that appropriate focus is on managing risk proactively by ensuring business operations are in accordance with laid-down risk. A strong risk management team and an effective credit operations structure ensures that risks are properly identified and timely addressed, to ensure minimal impact on the Group's growth and performance.

**Risk Management Structure**

The Group has established multi-level risk governance for monitoring & control of product and entity level risks. The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (""RMC"") which is responsible for monitoring the overall risk process within the Group. The RMC is empowered to develop an independent risk strategy comprising of principles, frameworks, policies and limits and ensuring its effective implementation. Independent function of Risk management is in place headed by the Chief Risk Officer (""CRO"") who reports to the Chief Executive Officer (""CEO"") with oversight of RMC of the Board reports to the Chairman and independently to RMC of the Board. The Risk department primarily operationalises risk management framework approved by RMC.

The group has a well –defined risk framework constituting various lines of defence – the first line of defence, consisting of management, is responsible for seamless integration of risk principles across all businesses. Additionally, it ensures adequate managerial and supervisory controls to ensure compliance and highlight inadequate processes and unexpected events. The Group has well-defined internal control measures in every process.

Independent risk and policy team constitutes second line of defence which is responsible for identification and assessment of entity-wide risks. Post its identification, it aims to mitigate risks either through portfolio trigger and caps (Credit risk) or through ongoing risk control and self assessment (Operational risk)

Internal Audit function is the third line of defence that independently reviews activities of the first two lines of defence and reports to the Audit Committee of the Board.

**Risk Management Practices**

The Group has developed the necessary competency to identify early stress signals and has also defined processes, including corrective and remedial actions as regards people and processes, for mitigation to ensure minimum damage. A stress testing mechanism is put in place to carry out the event based sensitivity analysis and identify the accounts under stress due to expected market movement. In event of susceptibility to external triggers, appropriate risk mitigation would be undertaken and thereby minimize the losses to the Group.

The Group has initiated a detailed portfolio quality review mechanism which enables analysis of portfolio along various behavioural, demographic and financial parameters. Additionally, through tie-ups with external bureaus, an analysis of collection performance coupled with continuous credit assessment for various key segments is undertaken. The practices aid in proactive course correction thereby modifying credit or sourcing mechanisms, if required. Additionally, application scorecard has been developed enabling the Group to standardize credit underwriting & improve sourcing quality in the long run.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Information pertaining to different type of risks are identified, analysed and tested on timely basis. The same is presented to Risk Management Committee at periodic intervals.

In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as cross currency interest rate swaps are entered to hedge certain foreign currency risk exposures and variable interest rate exposures.

The Group's central treasury department identifies, evaluates and hedges financial risks in close co- operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity. The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

### 38A.1. CREDIT RISK

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investments, derivative financial instruments, other balances with banks, loans and other receivables.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Credit quality analysis**

The following tables sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

(₹ in Crores)

| Particulars | As at March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Financial Assets where loss allowance measured using simplified approach | Total |
| Cash and cash equivalents | - | - | - | 2,066.63 | **2,066.63** |
| Bank Balance other than above | - | - | - | 2,125.15 | **2,125.15** |
| Receivables | | | | | |
| (i) Trade Receivables | - | - | - | 107.53 | **107.53** |
| (ii) Other Receivables | - | - | - | - | **-** |
| Loans * | 43,587.73 | 2,322.22 | 1,217.74 | - | **47,127.69** |
| Investments | - | - | - | 369.66 | **369.66** |
| Other Financial assets | - | - | - | 1,164.09 | **1,164.09** |

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

(₹ in Crores)

| Particulars | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Financial Assets where loss allowance measured at 12-month ECL | Financial assets for which credit risk has increased significantly and credit not impaired | Financial assets for which credit risk has increased significantly and credit impaired | Financial Assets where loss allowance measured using simplified approach | Total |
| Cash and cash equivalents | - | - | - | 2,469.87 | **2,469.87** |
| Bank Balance other than above | - | - | - | 1,775.85 | **1,775.85** |
| Receivables | | | | | |
| (i) Trade Receivables | - | - | - | 102.42 | **102.42** |
| Loans * | 43,583.45 | 2,557.69 | 1,179.36 | - | **47,320.50** |
| Investments | - | - | - | 380.32 | **380.32** |
| Other Financial assets | - | - | - | 1,458.39 | **1,458.39** |

* Loans comprises of outstanding principal, interest accrued but not due and principal and interest overdue.

**Financial Assets measured using simplified approach:**

The Group follows 'simplified approach' for recognition of impairment loss allowance on Cash and Cash Equivalents, Bank Balances, Trade Receivables, other receivables and Other Financial Assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## 38A.2. COLLATERAL HELD

The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, physical gold, undertaking to create security.

In normal course of business, the Group does not physically repossess properties or collaterals. Once contractual loan repayments are more than 90 days past due, repossession of property(ies) may be initiated under the provisions of the SARFAESI Act, 2002. Repossessed property(ies) is disposed of in the manner prescribed in the SARFAESI Act, 2002, to recover outstanding debt."

## 38A.3. LOSS ALLOWANCE AND EXPOSURE AT DEFAULT

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

(₹ in Crores)

| Reconciliation of loss allowance | Financial Assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening ECL Apr-2024** | **414.08** | **41.45** | **165.62** | **32.26** | **580.37** | **0.02** | **1,160.07** | **73.73** |
| New loans disbursed during the year | 232.70 | 22.85 | 49.82 | 3.01 | 278.99 | - | **561.51** | **25.86** |
| Loans closed/written off during the year | (174.56) | (29.32) | (15.54) | 3.48 | (413.05) | (77.58) | **(603.15)** | **(103.42)** |
| Movement in provision without change in asset staging | (76.72) | (1.20) | (0.55) | (0.06) | (9.50) | - | **(86.77)** | **(1.26)** |
| Movement in provision due to change in asset staging | (16.82) | 0.83 | (8.89) | (4.00) | 221.65 | 4.50 | **195.94** | **1.33** |
| **Closing ECL Mar-2025** | **378.68** | **34.61** | **190.46** | **34.69** | **658.46** | **(73.06)** | **1,227.60** | **(3.76)** |

The Group has a management overlay of ₹47.11 crores included in total ECL provision.

(₹ in Crores)

| Reconciliation of loss allowance | Financial Assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening ECL Apr-2023** | **715.97** | **65.54** | **138.89** | **10.26** | **304.87** | **-** | **1,159.73** | **75.80** |
| New loans disbursed during the year | 272.21 | 28.71 | 35.57 | 10.78 | 209.13 | - | **516.91** | **39.49** |
| Loans closed/written off during the year | (450.05) | (52.89) | (3.32) | 10.00 | (172.97) | (1.30) | **(626.34)** | **(44.19)** |
| Movement in provision without change in asset staging | (127.38) | 0.28 | (1.10) | 0.12 | 2.42 | - | **(126.06)** | **0.40** |
| Movement in provision due to change in asset staging | 3.33 | (0.19) | (4.42) | 1.10 | 236.92 | 1.32 | **235.83** | **2.23** |
| **Closing ECL Mar-2024** | **414.08** | **41.45** | **165.62** | **32.26** | **580.37** | **0.02** | **1,160.07** | **73.73** |

The Group has a management overlay of ₹116.38 crores included in total ECL provision.

**The following tables show reconciliations from opening to closing balance of the exposure at default (EAD) by class of financial instrument.**

(₹ in Crores)

| Reconciliation of exposure at default | Financial Assets where loss allowance measured at 12-month ECL | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening EAD Apr-2024** | **47,320.45** | **4,377.25** | **2,347.36** | **247.69** | **1,181.33** | **(2.70)** | **50,849.14** | **4,622.24** |
| New loans disbursed during the year | 31,848.21 | 1,895.66 | 268.79 | 17.93 | 122.58 | - | **32,239.58** | **1,913.59** |
| Loans closed/written off during the year | (19,085.72) | (2,792.50) | (1,390.86) | (169.25) | (1,006.21) | (52.39) | **(21,482.79)** | **(3,014.14)** |
| Movement in EAD without change in asset staging | (5,866.72) | (62.05) | (5.59) | (0.11) | (12.27) | - | **(5,884.58)** | **(62.16)** |
| Movement in EAD due to change in asset staging | (2,734.02) | (136.44) | 1,042.99 | 77.34 | 931.57 | 50.59 | **(759.46)** | **(8.51)** |
| **Closing EAD Mar-2025** | **51,482.20** | **3,281.92** | **2,262.69** | **173.60** | **1,217.00** | **(4.50)** | **54,961.89** | **3,451.02** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Reconciliation of exposure at default | "Financial Assets where loss allowance measured at 12-month ECL" | | Financial assets for which credit risk has increased significantly and credit not impaired | | Financial assets for which credit risk has increased significantly and credit impaired | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Principal | Others | Principal | Others | Principal | Others | Principal | Others |
| **Opening EAD Apr-2023** | **37,414.87** | **2,756.91** | **1,971.83** | **118.11** | **738.12** | **(1.39)** | **40,124.82** | **2,873.63** |
| New loans disbursed during the year | 32,105.43 | 3,139.16 | 835.46 | 122.17 | 431.93 | (0.76) | **33,372.82** | **3,260.57** |
| Loans closed/written off during the year | (15,389.04) | (1,500.89) | (983.30) | (54.13) | (523.90) | (21.60) | **(16,896.24)** | **(1,576.62)** |
| Movement in EAD without change in asset staging | (5,203.62) | 48.41 | (21.84) | 1.09 | (1.75) | - | **(5,227.21)** | **49.50** |
| Movement in EAD due to change in asset staging | (1,607.19) | (66.34) | 545.21 | 60.45 | 536.93 | 21.05 | **(525.05)** | **15.16** |
| **Closing EAD Mar-2024** | **47,320.45** | **4,377.25** | **2,347.36** | **247.69** | **1,181.33** | **(2.70)** | **50,849.14** | **4,622.24** |

### 38A.4. WRITE OFF

Contractual amount outstanding on financial assets that were written off during the reporting period is ₹ 1,519.66 crore (previous year ₹ 911.13 crore)

### 38A.5. MODIFIED FINANCIAL INSTRUMENTS

For financial assets, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that the modification does not result in cash flows that are substantially different (thereby not resulting into derecognition), the Group has recorded a modification gain or loss based on the change in cash flows discounted at the original EIR (Effective Interest Rate).

(₹ in Crores)

| Particulars | FY 2024-2025 | FY 2023-2024 |
|---|---|---|
| Carrying amount of Modified financial assets | 222.21 | 314.81 |

The terms of the assets have been modified in accordance with NHB (Directions)/RBI (HFC) Directions and as per RBI Notification "Resolution Framework for COVID-19-related Stress".

### 38A.6. CREDIT RISK GRADING OF LOANS

Credit Risk Grading is an important tool for credit risk management as it helps in understanding and evaluating risks for different credit transactions.

The Group has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected counterparties. It manages and controls credit risk by confining the amount of risk it is willing to accept for individual counterparties, for geographical concentrations, and by closely monitoring such exposures.

The Group has a Credit Risk Policy which is board approved and shared with all credit approving authorities. All customers will be evaluated on a set of pre-defined parameters as detailed below and accordingly classified into any of the following categories:

1. Low Risk
2. Medium Risk
3. High Risk

The high risk category of customers will not be actively sourced by the Group. Any customer, identified as High Risk, can be funded by the Group basis exceptional comfort and availability of justifying mitigates. The extent and nature of due diligence will be the highest for this category. The assessment of a customer being classified into high, medium or low is based on various parameters at the time of on-boarding which are captured in the Credit Approval Memorandum by the credit manager and validated by the relevant approving authority. The parameters are as follows:

1. Customer Profile
2. Financial health

3. Business vintage
4. Credit history
5. Industry feedback
6. Other qualitative/ quantitative factors as mentioned in the policy

Every customer once being stamped into a risk category on a periodic basis would further be subjected to change of his risk profile depending on the repayment history and DPDs through an independent credit quality review process. This process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

**Credit grading details**

(₹ in Crores)

| Period | Stage 1 | Stage 2 | Stage 3 | Total EAD |
|---|---|---|---|---|
| March 31, 2025 | 54,764.12 | 2,436.29 | 1,212.50 | **58,412.91** |
| March 31, 2024 | 51,697.70 | 2,595.05 | 1,178.63 | **55,471.37** |

## 38A.7. CONCENTRATION OF CREDIT RISK

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across various products/states/customer base with a cap on maximum limit of exposure for an individual/Group. Accordingly, the Group does not have concentration risk.

## 38B LIQUIDITY RISK

Liquidity risk refers to the risk that the Group may not be able to meet its short-term financial obligations. The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of credit lines. Further, the Group has well defined Asset Liability Management (ALM) framework with an appropriate organizational structure to regularly monitor and manage maturity profiles of financial assets and financial liabilities including debt financing plans, cash and cash equivalent instruments to ensure liquidity. The Group seeks to maintain flexibility in funding mix by way of sourcing the funds through money markets, debt markets and banks to meet its business and liquidity requirements.

**(i) Maturities of financial liabilities**

(₹ in Crores)

| Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2025 | Total | Upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| Derivative financial instruments | **110.90** | 2.41 | 74.11 | 16.23 | 18.15 | - | - |
| Trade payables | **185.64** | 185.64 | - | - | - | - | - |
| Other payables | **34.28** | 34.28 | - | - | - | - | - |
| Finance lease obligation (refer note 2) | **635.34** | 42.81 | 38.56 | 65.64 | 201.60 | 129.41 | 157.32 |
| Debt securities | **16,772.24** | 3,208.61 | 580.74 | 2,272.91 | 3,897.47 | 5,892.91 | 919.60 |
| Borrowings (other than debt securities) (refer note 1) | **31,058.60** | 2,417.94 | 2,502.51 | 5,358.50 | 12,625.47 | 4,557.69 | 3,596.49 |
| Subordinated liabilities | **3,237.19** | 90.68 | 46.72 | 10.09 | 89.37 | 1,440.27 | 1,560.06 |
| Other financial liabilities | **1,467.58** | 1,403.32 | 16.39 | 31.81 | 16.06 | - | - |
| Financial guarantee contracts | **260.33** | 260.33 | - | - | - | - | - |
| **Total** | **53,762.10** | **7,646.02** | **3,259.03** | **7,755.18** | **16,848.12** | **12,020.28** | **6,233.47** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Crores)

| Contractual maturities of financial liabilities (including financial guarantee) As at March 31, 2024 | Total | Upto 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 to 5 years | Over 5 years |
|---|---|---|---|---|---|---|---|
| Derivative financial instruments | **33.53** | 3.56 | - | 2.61 | 27.36 | - | - |
| Trade payables | **206.88** | 206.88 | - | - | - | - | - |
| Other payables | **-** | - | - | - | - | - | - |
| Finance lease obligation (refer note 2) | **595.37** | 40.03 | 34.87 | 63.17 | 195.08 | 117.57 | 144.65 |
| Debt securities | **9,137.47** | 1,549.68 | 397.52 | 872.65 | 2,475.49 | 1,903.46 | 1,938.67 |
| Borrowings (other than debt securities) (refer note 1) | **34,098.20** | 2,660.31 | 3,494.34 | 5,746.24 | 14,630.55 | 4,601.45 | 2,965.31 |
| Subordinated liabilities | **3,438.53** | 275.31 | 46.84 | 5.79 | 74.18 | 2,297.96 | 738.45 |
| Other financial liabilities | **2,659.32** | 2,640.14 | 9.07 | - | 10.11 | - | - |
| Financial guarantee contracts | **410.32** | 410.32 | - | - | - | - | - |
| **Total** | **50,579.62** | **7,786.23** | **3,982.64** | **6,690.46** | **17,412.77** | **8,920.44** | **5,787.08** |

**Note 1:** Borrowings includes cash credit facilities, has been slotted in ""over 6 months to 1 year"" and ""over 1 year to 3 years"" in the ratio of 40% and 60% respectively.

**Note 2:** The amount represent undiscounted cash flows.

**(ii) Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Floating rate** | | |
| - Expiring within one year (bank overdraft and other facilities) | 1,687.61 | 1,743.03 |

**(iii) Change in liabilities arising from financing activities as per IND AS 7 "Statement of cash flows":**

(₹ in Crores)

| Particulars | As at March 31, 2024 | Cash flows | Others* | As at March 31, 2025 |
|---|---|---|---|---|
| Debt Securities (Including subordinated liabilities) | **12,576.00** | 7,538.25 | (104.82) | **20,009.43** |
| Borrowings (Other than debt securities) | **34,098.20** | (3,078.60) | 39.00 | **31,058.60** |
| **Total Liabilities from Financial Activities** | **46,674.20** | **4,459.65** | **(65.82)** | **51,068.03** |

(₹ in Crores)

| Particulars | As at March 31, 2023 | Cash flows | Others* | As at March 31, 2024 |
|---|---|---|---|---|
| Debt Securities (Including subordinated liabilities) | **11,127.72** | 1,487.47 | (39.19) | **12,576.00** |
| Borrowings (Other than debt securities) | **28,476.27** | 5,721.42 | (99.49) | **34,098.20** |
| **Total Liabilities from Financial Activities** | **39,603.99** | **7,208.89** | **(138.68)** | **46,674.20** |

*includes the effect of amortisation of borrowing cost, interest accrued on borrowings, and exchange differences.

### 38C MARKET RISK

Market Risk is the risk that the value of on and off-balance sheet positions of a financial institution will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices resulting in a loss to earnings and capital.

Financial institutions may be exposed to Market Risk in variety of ways. Market risk exposure may be explicit in portfolios of securities / equities and instruments that are actively traded. Conversely it may be implicit such as interest rate risk due to

mismatch of loans and deposits. Besides, market risk may also arise from activities categorized as off-balance sheet item. Therefore market risk is potential for loss resulting from adverse movement in market risk factors such as interest rates, forex rates, equity and commodity prices.

The Group's exposure to market risk is primarily on account of interest rate risk and Foreign exchange risk.

### 38C.1 INTEREST RATE RISK

**(a)** The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Variable rate borrowings | 23,254.78 | 22,687.99 |
| Fixed rate borrowings | 27,565.46 | 23,395.33 |
| **Total borrowings** | **50,820.24** | **46,083.32** |

The Group had the following variable rate borrowings outstanding:

(₹ in Crores)

| | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|
| | Balance | % of total borrowings | Balance | % of total borrowings |
| Bank overdrafts, bank loans | 23,254.78 | 45.76% | 22,687.99 | 49.23% |
| **Net exposure to cash flow interest rate risk** | **23,254.78** | **45.76%** | **22,687.99** | **49.23%** |

An analysis by maturities is provided in note 38(B)(i) above. The percentage of total loans shows the proportion of loans that are currently at floating rates in relation to the total amount of borrowings.

**(b) Sensitivity**

**Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates (assuming other variable constant)**

(₹ in Crores)

| | Impact on profit after tax | | Impact on other components of equity | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| Interest rates – increase by 50 basis points | (87.01) | (84.89) | - | - |
| **Interest rates – decrease by 50 basis points** | **87.01** | **84.89** | **-** | **-** |

### 38C.2. EXPOSURE TO CURRENCY RISKS

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from banks and External Commercial Borrowings (ECB) and foreign bond markets.

The Group follows a conservative policy of hedging its foreign currency exposure through Forwards / Futures / and / or Cross Currency Interest Rate Swaps (CCRIS) in such a manner that it has fixed determinate outflows in its functional currency and as such there would be no significant impact of movement in foreign currency rates on the Group's profit before tax (PBT) and equity. However for the unhedged foreign currency exposure(s) there would be an impact on Group's profitability.

The Group's currency position is as under

(₹ in Crores)

| Particulars | USD | EUR | CHF | JPY | SGD | Other Currencies |
|---|---|---|---|---|---|---|
| Foreign Currency Assets (in INR) | 50.25 | - | - | - | - | - |
| Foreign Currency Liabilities (in INR) | 99.66 | - | - | 11.24 | - | - |
| **Net Gap as at March 31, 2025** | **(49.41)** | **-** | **-** | **(11.24)** | **-** | **-** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | USD | EUR | CHF | JPY | SGD | Other Currencies |
|---|---|---|---|---|---|---|
| Foreign Currency Assets (in INR) | 157.69 | - | - | - | - | - |
| Foreign Currency Liabilities (in INR) | 13.54 | - | - | 19.99 | - | - |
| **Net Gap as at March 31, 2024** | **144.13** | **-** | **-** | **(19.99)** | **-** | **-** |

## 38C.3. PRICE RISK

**(a) Exposure**

The Group's exposure to assets having price risk is as under

(₹ in Crores)

| Particulars | Equity Share | Mutual Funds / Alternate investment funds/ others | Bonds / Debt securities | Security Receipts | Total |
|---|---|---|---|---|---|
| Market Value as on March 31, 2025 | 227.16 | 657.35 | 260.05 | 3,293.42 | **4,437.99** |
| Market Value as on March 31, 2024 | 24.18 | 482.50 | 369.31 | 3,182.99 | **4,058.98** |

To manage its price risk arising from investments in equity securities/other assets, the Group diversifies its portfolio.

**(b) Sensitivity**

The table below summarises the impact of increases/decreases of the index on the Group's equity/other assets and profit for the period. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

(₹ in Crores)

| Particulars | Impact on profit after tax | | Impact on other components of equity | |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| Increase by 5% | 166.05 | 151.87 | - | - |
| Decrease by 5% | (166.05) | (151.87) | - | - |

## 38D.CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group monitors capital in accordance with the capital adequacy ratio prescribed by the Reserve Bank of India ("RBI")/ National Housing Bank ("NHB") as applicable.

## 38E. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer an liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique.In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**The following table shows an analysis of financial instruments recorded at Fair Value hierarchy:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | | |
|---|---|---|---|
| | Fair Value through profit or loss | Fair value through Other Comprehensive Income | Amortised cost / Cost |
| **Financial assets** | | | |
| Cash and cash equivalents | - | - | 2,066.63 |
| Bank Balance other than (a) above | - | - | 2,125.15 |
| Derivative financial instruments | - | 50.25 | - |
| Receivables | | | |
| (i) Trade receivables | - | - | 107.53 |
| (ii) Other receivables | - | - | - |
| Loans | 611.52 | 8,559.83 | 46,192.91 |
| Investments | 4,069.23 | - | 368.76 |
| Other financial assets | - | - | 1,142.97 |
| **Total financial assets** | **4,680.75** | **8,610.08** | **52,003.95** |
| **Financial liabilities** | | | |
| Derivative financial instruments | - | 110.90 | - |
| Trade payables | - | - | 185.64 |
| Other Payables | - | - | 34.28 |
| Finance lease obligation | - | - | 465.33 |
| Debt securities | - | - | 16,772.24 |
| Borrowings (other than debt securities) | - | - | 31,058.60 |
| Subordinated liabilities | - | - | 3,237.19 |
| Other financial liabilities | - | - | 1,467.58 |
| **Total financial liabilities** | **-** | **110.90** | **53,220.86** |

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Fair Value through profit or loss | Fair value through Other Comprehensive Income | Amortised cost / Cost |
| **Financial assets** | | | |
| Cash and cash equivalents | - | - | 2,469.87 |
| Bank Balance other than (a) above | - | - | 1,775.85 |
| Derivative financial instruments | - | 157.69 | - |
| Receivables | | | |
| (i) Trade receivables | - | - | 102.42 |
| (ii) Other receivables | - | - | 29.65 |
| Loans | - | 4,520.43 | 46,431.89 |
| Investments | 3,679.66 | - | 379.32 |
| Other financial assets | - | - | 1,420.77 |
| **Total financial assets** | **3,679.66** | **4,678.12** | **52,609.77** |
| **Financial liabilities** | | | |
| Derivative financial instruments | - | 33.53 | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Particulars | As at March 31, 2024 | | |
|---|---|---|---|
| | Fair Value through profit or loss | Fair value through Other Comprehensive Income | Amortised cost / Cost |
| Trade payables | - | - | 206.88 |
| Finance lease obligation | - | - | 461.50 |
| Debt securities | - | - | 9,137.47 |
| Borrowings (other than debt securities) | - | - | 34,098.20 |
| Subordinated liabilities | - | - | 3,438.53 |
| Other financial liabilities | - | - | 2,659.32 |
| **Total financial liabilities** | **-** | **33.53** | **50,001.90** |

**38E. 1. Financial instruments measured at fair value – Fair value hierarchy**

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position.

**38E.2. Valuation methodologies of financial instruments measured at fair value**

(i) Quoted equity/instruments are measured based on the last traded price in the exchange and are classified as level 1.

(ii) Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as level 1.

(iii) Alternate Investment Funds are measured based on the latest NAV provided by the fund house and are classified as level 3.

(iv) Equity instruments in non-listed entities are initially recognised at transaction price and re-measured (to the extent information is available) and valued by external independent valuer and classified as Level 3.

(v) Preference shares (unquoted) are classified as Level 2, based on the fair valuation conducted by an external independent valuer.

(vi) Government Securities are valued based on the closing price published by CCIL/ FIMMDA and are classified as level 2.

(vii) Unquoted debt securities are measured based on average of security level prices received from AMFI appointed/designated agencies viz: CRISIL and ICRA and are classified as level 2.

(viii) The fair value of interest rate swaps is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs.

(ix) Fair value of loans measured at FVOCI approximates its carrying value and are classified as level 3.

(x) Fair value of forward foreign exchange contracts is determined by computing present value of payoff between contractual rate (Strike) and forward exchange rates at the testing date and are classified as Level 2.

(xi) The fair value principal swap is calculated as the present value of the net of Pay and Receive side estimated future cash flows based on observable appropriate yield curve inputs and spot exchange rate as of the testing date and are classified as Level 2.

(₹ in Crores)

| Financial assets and liabilities measured at fair value - recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at March 31, 2025** | | | | | |
| **Financial assets** | | | | | |
| Forward rate agreements and interest rate swaps | - | 50.25 | - | **50.25** | 50.25 |
| Call option included under Debt securities & Subordinated liabilities | - | - | - | **-** | - |
| Loans - classified under FVOCI | - | - | 8,559.83 | **8,559.83** | 8,559.83 |
| Investments | **500.60** | **249.31** | **3,319.32** | **4,069.23** | **4,069.23** |
| (i) Mutual Funds/Alternate Investment fund / Others | 75.28 | - | 25.00 | **100.28** | 100.28 |
| (ii) Security Receipts | - | - | 3,294.32 | **3,294.32** | 3,294.32 |
| (iii) Debt Securities | 198.21 | - | - | **198.21** | 198.21 |
| (iv) Government Securities | - | 209.08 | - | **209.08** | 209.08 |
| (v) Preference Shares | - | 40.23 | - | **40.23** | 40.23 |
| (vi) Equity shares | 227.11 | - | - | **227.11** | 227.11 |
| **Total financial assets** | **500.60** | **299.56** | **11,879.15** | **12,679.31** | **12,679.31** |
| **Financial liabilities** | | | | | |
| Forward rate agreements /CCIRS | - | 88.70 | - | **88.70** | 88.70 |
| Forward exchange contract | - | 22.20 | - | **22.20** | 22.20 |
| **Total financial liabilities** | **-** | **110.90** | **-** | **110.90** | **110.90** |

(₹ in Crores)

| Financial assets and liabilities measured at fair value - recurring fair value measurements | Level 1 | Level 2 | Level 3 | Total | Carrying Value |
|---|---|---|---|---|---|
| **As at March 31, 2024** | | | | | |
| **Financial assets** | | | | | |
| Forward rate agreements and interest rate swaps | - | 157.69 | - | **157.69** | 157.69 |
| Call option included under Debt securities & Subordinated liabilities | - | - | - | **-** | - |
| Loans - classified under FVOCI | - | - | 4,520.43 | **4,520.43** | 4,520.43 |
| Investments | **355.15** | **95.62** | **3,228.89** | **3,679.66** | **3,679.66** |
| (i) Mutual Funds/Alternate Investment fund / Others | 61.70 | - | 20.77 | **82.47** | 82.47 |
| (ii) Security Receipts | - | - | 3,183.99 | **3,183.99** | 3,183.99 |
| (iii) Debt Securities | 293.45 | - | - | **293.45** | 293.45 |
| (iv) Government Securities | - | 55.46 | - | **55.46** | 55.46 |
| (v) Preference Shares | - | 40.16 | - | **40.16** | 40.16 |
| (vi) Equity shares | - | - | 24.13 | **24.13** | 24.13 |
| **Total financial assets** | **355.15** | **253.32** | **7,749.32** | **8,357.78** | **8,357.78** |
| **Financial liabilities** | | | | | |
| Forward rate agreements /CCIRS | - | 35.18 | - | **35.18** | 35.18 |
| Forward exchange contract | - | (1.65) | - | **(1.65)** | (1.65) |
| **Total financial liabilities** | **-** | **33.53** | **-** | **33.53** | **33.53** |

**38E.3. Valuation methodologies of financial instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term nature, the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and bank balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables.

**Loans, Debts, Borrowings and Subordinated Debts**

The fair values of these instruments are estimated by determining the price of the instrument taking into consideration the origination date, maturity date, coupon rate, actual or approximation of frequency of interest payments and incorporating the actual or estimated/proxy yields of identitical or similar instruments through the discounting factor. For instruments, having contractual residual maturity less than one year, the carrying value has been considered as fair value. Loans and advances are presented net of provisions for impairment.

(₹ in Crores)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed | Total fair value | Carrying Value | Valuation Hierarchy |
|---|---|---|---|
| **As at March 31, 2025** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 2,066.63 | 2,066.63 | |
| Bank Balance other than included above | 2,125.15 | 2,125.15 | |
| Receivables | | | |
| (i) Trade Receivables | 107.53 | 107.53 | |
| (ii) Other Receivables | - | - | |
| Loans | 46,749.16 | 46,192.91 | Level 3 |
| Investment in debt securities | 368.76 | 368.76 | |
| Other Financial assets | 1,142.97 | 1,142.97 | |
| **Total financial assets** | **52,560.19** | **52,003.94** | |
| **Financial Liabilities** | | | |
| Trade Payables | 185.64 | 185.64 | |
| Finance lease obligation | 465.33 | 465.33 | |
| Debt Securities | 16,712.20 | 16,772.24 | Level 3 |
| Borrowings (Other than debt securities) | 31,058.60 | 31,058.60 | Level 3 |
| Subordinated Liabilities | 3,306.00 | 3,237.19 | Level 3 |
| Other financial liabilities | 1,467.58 | 1,467.58 | |
| **Total financial liabilities** | **53,195.36** | **53,220.87** | |

(₹ in Crores)

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed | Total fair value | Carrying Value | Valuation Hierarchy |
|---|---|---|---|
| **As at March 31, 2024** | | | |
| **Financial assets** | | | |
| Cash and cash equivalents | 2,469.87 | 2,469.87 | |
| Bank Balance other than included above | 1,775.85 | 1,775.85 | |
| Receivables | | | |
| (i) Trade Receivables | 102.42 | 102.42 | |
| (ii) Other Receivables | 29.65 | 29.65 | |
| Loans | 40,440.89 | 46,431.89 | Level 3 |
| Investment in debt securities | 379.32 | 379.32 | |
| Other Financial assets | 1,420.77 | 1,420.77 | |
| **Total financial assets** | **46,618.79** | **52,609.78** | |
| **Financial Liabilities** | | | |

| Assets and liabilities which are measured at amortised cost for which fair values are disclosed | Total fair value | Carrying Value | Valuation Hierarchy |
|---|---|---|---|
| **As at March 31, 2024** | | | |
| Trade Payables | 206.88 | 206.88 | |
| Other payables | - | - | |
| Finance lease obligation | 461.50 | 461.50 | |
| Debt Securities * | 8,912.01 | 9,137.47 | Level 3 |
| Borrowings (Other than Debt Securities) | 34,098.20 | 34,098.20 | Level 3 |
| Subordinated Liabilities | 3,450.57 | 3,438.53 | Level 3 |
| Other financial liabilities | 2,659.32 | 2,659.32 | |
| **Total financial liabilities** | **49,788.47** | **50,001.90** | |

* For MTN Bond book value is considered as fair value.

### 38.E.4 MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE :

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

(₹ in Crores)

| Particulars | Loans - Classified underFVOCI |
|---|---|
| **Balances as at April 1, 2024** | **4,552.10** |
| Issuances | 4,444.12 |
| Sale of financial instrument classified as level 3 at the beginning of the financial year | (363.84) |
| Total gain /losses recognised in profit and loss | (16.28) |
| **Balances As at March 31, 2025** | **8,616.11** |
| Unrealised gain /losses related to balances held at the end of financial year | - |

(₹ in Crores)

| Particulars | Loans - Classified under FVOCI |
|---|---|
| **Balances as at April 1, 2023** | **6,959.10** |
| Issuances | 3,117.05 |
| Sale of financial instrument classified as level 3 at the beginning of the financial year | (5,544.99) |
| Total gain /losses recognised in profit and loss | 20.94 |
| **Balances As at March 31, 2024** | **4,552.10** |
| Unrealised gain /losses related to balances held at the end of financial year | - |

### 38 F. TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

The Group has sold some loans and advances measured at FVTOCI as per assignment deals, as a source of finance. As per the terms of deal, since the derecognition criteria as per IND AS 109, including transfer of substantially all the risks and rewards relating to assets being transferred to the buyer being met, the assets have been derecognised. The management has evaluated the impact of the assignment transactions done during the year for its business model. Based on the future business plans, the Group's business model remains to hold the assets for collecting contractual cash flows.

The following table provide a summary of the amount of the derecognised financial assets during the year and the gain/(loss) on derecognition, which qualify for derecognition:

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Financial assets derecognised during the year | 7,795.40 | 14,338.07 |
| Net loss / (gain) on derecognition of financial instruments under FVTOCI category | 312.56 | 136.79 |

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## 38 G. TRANSFERRED FINANCIAL ASSETS THAT ARE RECOGNISED IN THEIR ENTIRETY:

The Group uses securitisations as a source of finance. Such transaction resulted in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Such deals resulted in continued recognition of the securitised assets since the Group retains substantial risks and rewards. The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Crores)

| Securitisations | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 1,818.65 | 280.44 |
| Carrying amount of associated liabilities | 1,657.60 | 255.45 |
| Fair value of assets | 1,818.65 | 280.44 |
| Fair value of associated liabilities | 1,657.60 | 255.74 |

## NOTE 39. CAPITAL, OTHER COMMITMENTS AND CONTINGENT LIABILITIES AT BALANCE SHEET DATE:

**Contingent liabilities:**

(₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| **Claim against the Company not acknowledged as debt:** | | |
| In respect of Income tax demands (refer note a and b) | 359.74 | 77.08 |
| In respect of Service tax/ Gst demands (including interest accrued and refer note c) | 125.57 | 70.26 |
| In respect of Profession Tax demands (refer note d) | 0.16 | 0.16 |
| In respect of legal case/ penalties/others | 488.64 | 15.73 |
| In respect of Stamp Duty (refer note e) | 16.66 | 16.66 |
| **Bank Guarantee:** | | |
| In respect of Bank guarantees given (refer note f) | 260.33 | 410.32 |
| **Other money for which the company is contingently liable:** | | |
| In respect of Corporate guarantees given | 23.34 | 23.34 |
| Contingent liability in respect of credit enhancement for securitisation transaction | 75.54 | 79.91 |

(a) The Group has filed appeal against the said demands raised by the Income Tax Department.

(b) Amount paid under protest with respect to income tax demand is 76.32 crores ( previous year ₹76.32 crores).

(c) Amount paid under protest with respect to service tax and GST demands are ₹3.62 crores (previous year ₹3.62 crores).

(d) Amount paid under protest with respect to profession tax demand ₹0.05 crores (previous year ₹0.05 crores).

(e) The Group had received demand towards stamp duty on account of the Composite Scheme of Arrangement.The demand had been raised for a sum of ₹75.00 crores. As per the scheme document any incidental expenses will be borne by the resulting companies i.e IIFL Finance Limited, IIFL Securities Limited and 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) equally. The Group has appealed against the same and paid ₹8.34 crores under protest towards its share of the liability and shown ₹16.66 crores as Contingent.The matter is pending before the court.

(f) Guarantee has been given on behalf of subsidiary.

(g) Apart from the above, group is subject to legal proceedings and claims which have arisen in the ordinary course of the business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Group's financial position.

**Commitments not provided for:** (₹ in Crores)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Commitments related to loans sanctioned but undrawn | 2,753.33 | 3,689.95 |
| Estimated amount of contracts remaining to be executed on capital and operating account | 16.90 | 25.60 |
| Commitments related to alternate investment funds | 19.83 | 12.88 |

## NOTE 40. EMPLOYEE STOCK OPTION

### 40.1 STOCK OPTION SCHEMES OF THE PARENT COMPANY (IIFL FINANCE LIMITED)

The Company has implemented various Employee Stock Option Schemes (ESOP Schemes) and has outstanding options granted under the said Schemes. The options vest in graded manner and must be exercised within a specified period as per the terms of the grants made by the Nomination and Remuneration Committee and ESOP Schemes.

The details of various Employee Stock Option Schemes are as under:

**I. ESOP-2008**

| Particulars | As at March 2025 | As at March 2024 |
|---|---|---|
| Number of Option outstanding | 35,58,866 | 40,80,321 |
| Method of accounting | Fair Value | Fair Value |
| Vesting Plan | Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options. | |
| Exercise Period | Seven/ five years from the date of grant | |
| Grant Date | 06- May 2021, 20- Aug 2021, 22- Dec 2021, 26- Aug 2022, 15- Oct 2022, 04- Aug 2023, 05- Jan 2024 | 06- May 2021, 20- Aug 2021, 22- Dec 2021, 26- Aug 2022, 15- Oct 2022, 04- Aug 2023, 05- Jan 2024 |
| Grant Price (₹Per Share) | ₹252.00, ₹252.00, ₹271.40, ₹341.65, ₹350.00, ₹10.00, ₹625.00 | ₹252.00, ₹252.00, ₹271.40, ₹341.65, ₹350.00, ₹10.00, ₹625.00 |

**(b) (i) Movement of options during the year ended March 31, 2025**

| Particulars | Option Outstanding | Range of exercise price (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2024** | **40,80,321** | **10.00-625.00** | **130.21** | **6.07** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 4,01,435 | 10.00-625.00 | 55.68 | - |
| Exercised during the year | 1,20,020 | 252.00-350.00 | 257.95 | - |
| **Outstanding as on March 31, 2025** | **35,58,866** | **10.00-625.00** | **134.31** | **5.14** |
| **Exercisable as on March 31, 2025** | **2,52,622** | **252.00-625.00** | **337.35** | **3.91** |

**b) (ii) Movement of options during year ended March 31, 2024**

| Particulars | Option Outstanding | Range of exercise price (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2023** | **9,36,947** | **82.02-350.00** | **274.97** | **5.44** |
| Granted during the year | 35,00,000 | 10.00-625.00 | 97.86 | - |
| Expired/ forfeited during the year | 2,31,402 | 10.00-341.65 | 146.95 | - |
| Exercised during the year | 1,25,224 | 218.71-341.65 | 278.16 | - |
| **Outstanding as on March 31, 2024** | **40,80,321** | **10.00-625.00** | **130.21** | **6.07** |
| **Exercisable as on March 31, 2024** | **1,10,240** | **252.00-350.00** | **263.42** | **4.39** |

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**Fair Value Methodology:**

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars | 05-Jan-24 | 04-Aug-23 | 15-Oct-22 | 26-Aug-22 |
|---|---|---|---|---|
| Stock price (₹) | 641.65 | 575.50 | 350.00 | 341.65 |
| Volatility | 10.00% | 52.22% | 10.00% | 10.00% |
| Risk-free Rate | 7.00% | 7.04% | 7.37% | 7.02% |
| Exercise price (₹) | 625.00 | 10.00 | 350.00 | 341.65 |
| Time to Maturity (Years) | 5.00 | 4.00 | 5.00 | 5.00 |
| Dividend yield | 3.00% | 1.43% | 3.00% | 3.00% |
| Weight Average Value (₹) | 89.05 | 535.83 | 45.31 | 42.15 |

| Particulars | 22-Dec-21 | 20-Aug-21 | 06-May-21 |
|---|---|---|---|
| Stock price (₹) | 271.40 | 252.00 | 252.00 |
| Volatility | 10.00% | 10.00% | 10.00% |
| Risk-free Rate | 5.81% | 5.77% | 5.66% |
| Exercise price (₹) | 271.40 | 252.00 | 252.00 |
| Time to Maturity (Years) | 5.00 | 5.00 | 5.00 |
| Dividend yield | 3.00% | 3.00% | 3.00% |
| Weight Average Value (₹) | 35.40 | 35.40 | 34.72 |

**Stock Price:** The closing market price on NSE one day prior to the date of grant has been considered for the purpose of Option valuation.

**Volatility:** The daily volatility of the stock prices on BSE, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

**Exercise Price:** Price of each specific grant has been considered.

**Time to Maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

**II. ESOP-2020**

a) The details of various Employee Stock Option Schemes are as under:

| Particulars | As at March 2025 | As at March 2024 |
|---|---|---|
| Number of Option outstanding | 12,01,536 | 16,71,891 |
| Method of accounting | Fair Value | Fair Value |
| Vesting Plan | Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options. | |
| Exercise Period | Seven years from the date of grant | |
| Grant Date | 02- May 2018, 21- Nov 2018 and 18- Jan 2019 | 08- Feb 2017, 02- May 2018, 21- Nov 2018 and 18- Jan 2019 |
| Grant Price (₹Per Share) | ₹142.22, ₹177.04, ₹182.22 | ₹106.67, ₹142.22, ₹177.04, ₹182.22 |

**(b) (i) Movement of options during the year ended March 31, 2025**

| Particulars | Option Outstanding | Range of exercise price (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2024** | **16,71,891** | **106.67- 182.22** | **152.90** | **1.25** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 16,510 | 177.04 - 182.22 | 178.62 | - |
| Exercised during the year | 4,53,845 | 106.67- 182.22 | 153.42 | - |
| **Outstanding as on March 31, 2025** | **12,01,536** | **142.22 - 182.22** | **152.35** | **0.25** |
| **Exercisable as on March 31, 2025** | **6,61,536** | **142.22 - 182.22** | **160.61** | **0.38** |

**(b) (ii) Movement of options during the year ended March 31, 2024**

| Particulars | Option Outstanding | Range of exercise price (in ₹) | Weighted average exercise price (in ₹) | Weighted average remaining contractual life (Years) |
|---|---|---|---|---|
| **Outstanding as on April 01, 2023** | **27,05,444** | **106.67- 182.22** | **212.21** | **3.19** |
| Granted during the year | - | - | - | - |
| Expired/ forfeited during the year | 40,731 | 61.48-182.22 | 172.13 | - |
| Exercised during the year | 9,92,822 | 106.67- 182.22 | 163.82 | - |
| **Outstanding as on March 31, 2024** | **16,71,891** | **106.67- 182.22** | **152.90** | **1.25** |
| **Exercisable as on March 31, 2024** | **11,31,891** | **106.67- 182.22** | **157.99** | **1.33** |

**Fair Value Methodology:**

The fair value of the shares are measured using Black scholes formulae. Measurement inputs include share price on measurement date, exercise date of the instrument, exercise price, expected life, risk free interest rate, dividend yield, expected volatility .

Key Assumptions used in Black-Scholes model for calculating fair value as on the date of grant are as follows:

| Particulars | 18-Jan-19 | 18-Jan-19 | 21-Nov-18 | 02-May-18 |
|---|---|---|---|---|
| Stock price (₹) | 179.63 | 179.63 | 179.63 | 179.63 |
| Volatility | 59.00% | 59.00% | 59.00% | 59.00% |
| Risk-free Rate | 7.28% - 7.49% | 7.28% - 7.49% | 7.21% - 7.40% | 7.13% - 7.40% |
| Exercise price (₹) | 182.22 | 182.22 | 177.04 | 142.22 |
| Time to Maturity (Years) | 5.80 | 5.55 | 5.39 | 5.09 |
| Dividend yield | 1.00% | 1.00% | 1.00% | 1.00% |
| Weight Average Value (₹) | 161.25 | 102.16 | 102.29 | 106.78 |

| Particulars | 02-May-18 |
|---|---|
| Stock price (₹) | 179.63 |
| Volatility | 59.00% |
| Risk-free Rate | 7.13% - 7.34% |
| Exercise price (₹) | 142.22 |
| Time to Maturity (Years) | 4.84 |
| Dividend yield | 1.00% |
| Weight Average Value (₹) | 106.90 |

**Stock Price:** The fair value of stock as on Appointed Date, i.e., April 1, 2018 ("the Effective date" or the "Date of Modification") has been used to value the outstanding grants based on Merchant Banker's Report.

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**Volatility:** The daily volatility of the stock prices on BSE, based on post demerger traded prices, has been considered to calculate the fair value.

**Risk-free rate of return:** The risk-free rate being considered for the calculation is the India Government Bond Generic Bid Yield with a maturity about equal to the expected life of the options.

**Exercise Price:** Price of each specific grant has been considered based on equity swap ratio of the Composite Scheme of Arrangement.

**Time to Maturity:** Time to Maturity / Expected Life of Options is the period for which the Company expects the Options to be live. The minimum life of a stock option is the minimum period before which the Options cannot be exercised and the maximum life is the period after which the Options cannot be exercised.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for the three financial years preceding the date of the grant. The dividend yield for the year is derived by dividing the dividend per share by the average price per share of the respective period.

## 40.2 STOCK OPTION SCHEMES OF THE SUBSIDIARY COMPANIES:

### a. IIFL Home Finance Limited

The Company has IIFL HFL ESOP PLAN-2022, under which options have been granted to eligible employees to be vested from time to time. The plan is established as per the approval granted by the shareholders by a special resolution on August 4, 2022. The Plan is amended vide Board resolution dated June 17, 2023 and approved by shareholders vide resolution dated June 29, 2023.

ESOP will vest to eligible employees as per vesting schedule and vesting ratio. All options will vest with minimum vesting period of 1year and maximum vesting period of 4 years having Graded vesting @ 25%p.a.(vesting ratio of 25:25:25:25).

ESOPs Granted as of April 01, 2024 are performance based grants which will vest to eligible employees as per performance rating in the company over the vesting period every year of graded vesting with option of carry forward benefit for 1 year if employee match target performance rating in next year.

As per ESOP Plan, the Vested Options can be exercised by the Option grantees only in connection with or upon the happening of a Liquidity Event and within such period as prescribed by the Board in this regard.

The Nomination and Remuneration Committee may at any time proceed to settle any or all the unexercised Vested Options held by the Option Grantees, either continuing or separated, by way of cash payment.

| Particulars | FY 2024-25 | | FY 2023-24 |
|---|---|---|---|
| Grant Date | January 24, 2025 | April 01, 2024 | October 01, 2023 |
| Option Price Model | Black Scholes Method | Black Scholes Method | Black Scholes Method |
| Exercise Price | 1,338.00 | 1,338.00 | 1,338.00 |
| Share Price on Grant Date | 4,504.02 | 4,007.49 | 4,513.38 |
| Expected Volatility | 50% | 50% | 50% |
| Expected life of options (Years) | 4 | 4 | 4 |
| Risk-free rate of return | 6.75% | 7.18% | 7.37% |
| Dividend Yield | 0.74% | 0.98% | 0.86% |
| Fair Value of ESOP at Grant Date | 3,414.08 | 2,923.78 | 3,423.18 |
| Weighted average remaining contractual life of the options (Years) | 3.82 | 3.00 | 3.50 |

**Fair Value Methodology:**

The fair value of the employee share options has been measured using Black-Scholes Option pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment options granted during the year.

Table Showing options movement during year:

| Particulars | FY 2024-25 (Time based) | FY 2024-25 (Performance based) | FY 2023-24 (Time based) |
|---|---|---|---|
| Outstanding at the beginning of the year | 2,38,628 | - | - |
| Granted during the year | 7,550 | 2,38,627 | 2,42,563 |
| Forfeited during the year | 22,145 | 18,294 | 3,935 |
| Outstanding at the end of the year | 2,24,033 | 2,20,333 | 2,38,628 |
| Exercisable at the end of the year | 57,973 | - | - |

Weighted Average Fair Value of ESOP at Grant Date is ₹2,938.82 /- option.

Weighted-average exercise prices of options granted during the year is ₹1,338.00 /- option

**Weighted average share price at the date of exercise date : N.A. as no ESOP exercise in year**

Table showing reconcillation of Share Options Outstanding Account:

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Opening ESOP Outstanding Reserve Balance | 19.77 | - |
| Expense Recognised/ (Reversed) during the year | 57.92 | 19.77 |
| **Closing ESOP Outstanding Reserve Balance** | **77.69** | **19.77** |

**b. IIFL Samasta Finance Limited**

The Company's Employee Stock Option Plan - 2023 ("ESOP Plan") provide for the grant of stock options to eligible employees. The ESOPs are administered through Direct route by the company. The company transfers share to the eligible employees upon exercise of the options by such employees.

The Company had an ESOP scheme called ESOP Plan 2023. The ESOP plan 2023 came into force on March 24, 2023.

During the financial year 2022-23, the Company has introduced a new stock option scheme namely "ESOS 2023" effective from March 24, 2023. The grant price shall be as decided by the Nomination and Remuneration Committee ('N&RC') of the Company. The number of options and terms could vary at the discretion of the N&RC.

The total number of Employee Stock Options to be granted, which shall not exceed 5% of the Paid up share Capital of the Company, as expanded from time to time, comprising 3,34,21,867 (Three Crores Thirty Four Lakhs Twenty One Thousand Eight Hundred and Sixty Seven) Options which shall be convertible into equal number of Shares

The Company has established share option plans that entitle the employees of the Company to purchase the shares of the Company. Under these plans, holders of the vested options are entitled to purchase shares at the exercise price of the shares determined at the respective date of grant of options. The details of ESOP scheme are as follows.

| Particulars | Grant | Number of Options | Vesting period | Vesting Conditions |
|---|---|---|---|---|
| ESOP Scheme 2023 | Grant I | 84,41,758 | 3 Years | 20%,40% and 40% vests every year subject to continuance of services. |
| ESOP Scheme 2023 | Grant II | 8,17,662 | | |
| ESOP Scheme 2023 | Grant III | 60,37,500 | | |

| Grant | Number of ESOPs as at March 31, 2024 | Granted during the year | Forfeited during the year | Number of ESOPs as at March 31, 2025 | Exercisable as at March 31, 2025 |
|---|---|---|---|---|---|
| Grant I | 69,38,585 | - | 10,89,106 | 58,49,479 | 11,69,896 |
| Grant II | 8,17,662 | - | 3,25,253 | 4,92,409 | 98,482 |
| Grant III | 59,96,500 | - | 12,88,500 | 47,08,000 | 9,41,600 |
| | **1,37,52,747** | **-** | **27,02,859** | **1,10,49,888** | **22,09,978** |

Exercise period for all the above schemes is 3 years from the date of grant of the options.

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**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

**Measurement of fair values**

The fair value of the employee share options has been measured using Black-Scholes Option pricing model. For ESOP granted till previous year(s) fair value of each ESOP will remain same as per grant date fair value as determined earlier at time of Grant of options. For Modified options (if any), incremental fair value is calculated on date of modification.

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

| Grant Date | Number of ESOPs granted | Number of ESOPs outstanding as at March 31, 2025 | Fair Value of Vesting Tranche 1 | Fair Value of Vesting Tranche 2 | Fair Value of Vesting Tranche 3 |
|---|---|---|---|---|---|
| 31-03-2023 | 84,41,758 | 58,49,479 | 6.77 | 8.35 | 9.61 |
| 21-07-2023 | 8,17,662 | 4,92,409 | 7.54 | 9.28 | 10.69 |
| 15-01-2024 | 60,37,500 | 47,08,000 | 8.62 | 10.61 | 12.21 |

| Grant Date | Number of ESOPs granted | Number of ESOPs outstanding as at March 31, 2024 | Fair Value of Vesting Tranche 1 | Fair Value of Vesting Tranche 2 | Fair Value of Vesting Tranche 3 |
|---|---|---|---|---|---|
| 31-03-2023 | 84,41,758 | 69,38,585 | 6.77 | 8.35 | 9.61 |
| 21-07-2023 | 8,17,662 | 8,17,662 | 7.54 | 9.28 | 10.69 |
| 15-01-2024 | 60,37,500 | 59,96,500 | 8.62 | 10.61 | 12.21 |

Table showing Weighted-average exercise prices of options:

| Particulars | FY 2024-25 |
|---|---|
| Outstanding at the beginning of the year | 23.62 |
| Granted during the year | NA |
| Forfeited during the year | 24.01 |
| Expired during the year | NA |
| Exercised during the year | NA |
| Outstanding at the end of the year | 23.53 |
| Exercisable at the end of the year | 23.53 |

Table Showing Stock Options outstanding at the end of period

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|
| Exercise Price (INR) | | |
| Grant Date: 31-03-2023 | 20.96 | 20.96 |
| Grant Date: 21-07-2023 | 23.38 | 23.38 |
| Grant Date: 15-01-2024 | 26.74 | 26.74 |
| Weighted average remaining contractual life (Years) | | |
| Grant Date: 31-03-2023 | 3.20 | 4.20 |
| Grant Date: 21-07-2023 | 3.51 | 4.51 |
| Grant Date: 15-01-2024 | 4.00 | 5.00 |

**No ESOP exercised during the year.**

**Total Expense recognised is as follows:**

| Grant Date | Number of ESOPs outstanding as at March 31, 2025 | Opening ESOP O/s Reserve Balance as of as at April 01, 2024 | Total Expense Charged in P&L for FY 2024-25 | Transfer to General Reserve for Vested Forfeited | Closing ESOP O/s Reserve Balance as at March 31, 2025 |
|---|---|---|---|---|---|
| 31-03-2023 | 58,49,479 | 2.43 | 1.74 | (0.14) | 4.02 |
| 21-07-2023 | 4,92,409 | 0.21 | 0.12 | (0.01) | 0.32 |
| 15-01-2024 | 47,08,000 | 0.47 | 2.13 | (0.04) | 2.56 |
| **Total** | **1,10,49,888** | **3.11** | **3.99** | **(0.19)** | **6.90** |

| Grant Date | Number of ESOPs outstanding as at March 31, 2024 | Opening ESOP O/s Reserve Balance as of as at April 01, 2023 | Total Expense Charged in P&L for FY 2023-24 | Transfer to General Reserve for Vested Forfeited | Closing ESOP O/s Reserve Balance as at March 31, 2024 |
|---|---|---|---|---|---|
| 2023-24 | 1,52,96,920 | - | 3.11 | - | 1.38 |

**Table Showing movement of ESOP Outstanding Reserve:**

(₹ in Crores)

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Opening ESOP Outstanding Reserve Balance | 3.11 | - |
| Expense Recognised/ (Reversed) during the year | 3.99 | 3.11 |
| Transfer to general reserve for vested forfeited | (0.20) | - |
| **Closing ESOP Outstanding Reserve Balance** | **6.90** | **3.11** |

## NOTE 41. ADDITIONAL DISLCOURE REQUIREMENTS

### (i) Relationship with Struck off Companies

During the year, the Group has not entered into any transactions with the Companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, except with the parties as disclosed below:

(₹ in Crores)

| Name of the struck off Company | Balance outstanding as at | | Relationship with Struck off Group | Name of IIFL group Company |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | | |
| **Loans and Advances:** | | | | |
| Unicorn Hospitality Services Private Limited | 0.01 | 0.01 | None | IIFL Finance Limited |
| 9 Media Networks Private Limited | 0.24 | 0.24 | None | IIFL Finance Limited |
| Fedify Technologies Private Limited | 0.07 | 0.07 | None | IIFL Finance Limited |
| Niche Events and Promotions Private Limited | 0.14 | 0.15 | None | IIFL Finance Limited |
| Rainbow Infrastructure Private Limited | - | 0.00 | None | IIFL Finance Limited |
| Gopikrishna Engineers and Contractors Private Limited | 0.05 | 0.05 | None | IIFL Finance Limited |
| CP Hydro Projects India Private Limited | 0.06 | 0.06 | None | IIFL Finance Limited |
| Pushpa Clinic Private Limited | 0.02 | 0.02 | None | IIFL Finance Limited |
| Corporate Rooms Hospitality Private Limited | 0.03 | 0.03 | None | IIFL Finance Limited |
| Multitask Excel Hi Care (OPC) Private Limited | 0.07 | 0.07 | None | IIFL Finance Limited |
| Apm Air Travels (India) Private Limited | 0.04 | 0.04 | None | IIFL Finance Limited |
| Pan Club Hotels Private Limited | 0.10 | - | None | IIFL Finance Limited |
| Patidar EXIM Private Limited | 0.33 | - | None | IIFL Finance Limited |
| GNM Holidays Private Limited | 0.07 | - | None | IIFL Finance Limited |
| The Next Automotive ERA Private Limited | 0.23 | - | None | IIFL Finance Limited |
| Dialus India Solutions Private Limited | 0.04 | - | None | IIFL Finance Limited |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
## AS AT AND FOR THE YEAR ENDED MARCH 31, 2025

(₹ in Crores)

| Name of the struck off Company | Balance outstanding as at | | Relationship with Struck off Group | Name of IIFL group Company |
|---|---|---|---|---|
| | March 31, 2025 | March 31, 2024 | | |
| JPM Exports Private Limited | 0.37 | - | None | IIFL Finance Limited |
| Seven Oaks Engineering Private Limited | 0.06 | 0.06 | None | IIFL Finance Limited |
| Jasmin Infraproject Group Private Limited | 0.47 | 0.47 | None | IIFL Home Finance Limited |
| Sethi Housing India Private Limited | - | - | None | IIFL Home Finance Limited |
| Beauty Channel Salon & Spa Private Limited | 1.41 | 1.42 | None | IIFL Home Finance Limited |
| Iconic Products India Private Limited | 2.76 | 2.76 | None | IIFL Home Finance Limited |
| **Shares held by the Company:** | | | | |
| Vaishak Shares Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| Unicon Finca Private Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| Future Bonds and Holdings Private Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| Ethopps Advisory Services Private Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| Kothari Intergroup Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| **Unclaimed dividend:** | | | | |
| Vaishak Shares Limited | - | 0.00 | None | IIFL Finance Limited |
| Unicon Finca Private Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| Future Bonds and Holdings Private Limited | - | - | None | IIFL Finance Limited |
| Ethopps Advisory Services Private Limited | - | 0.00 | None | IIFL Finance Limited |
| Kothari Intergroup Limited | 0.00 | 0.00 | None | IIFL Finance Limited |
| **Vendor:** | | | | |
| Epicenter Technologies Private Limited | - | 0.00 | None | IIFL HOME FINANCE LIMITED |

*0.00 denotes amount less than ₹fifty thousand

**(ii) Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

**(iii) Compliance with number of layers of companies**

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Group.

**(iv) Utilisation of Borrowed funds and share premium**

(A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(v) Undisclosed income**

The Group has disclosed all its Income appropriately and in the ongoing Tax Assessments as well there has not been any such undisclosed income recognised by the relavant tax authorities.

**(vi) Details of Crypto Currency or Virtual Currency**

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**(vii) Disclosure of Benami Property**

The Group does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules made thereunder.

**(viii) Disclosure of Borrowings**

(a) The quarterly returns and statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(b) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken as at March 31, 2025.

**(ix) Wilful Defaulter**

The Group has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

**(x) Title Deeds Of Immovable Properties Not Held In Name Of The Group**

Except the details as disclosed below all the title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group. Also refer note 12.

**Title deeds of Immovable Property not held in name of the Group**

**As at March 31, 2025**

(₹ in Crores)

| Particulars | Description of item of property | Gross Carrying Value | Title Deeds held in the name of | Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Group |
|---|---|---|---|---|---|---|
| Investment Property (Refer note 12) | Building | 2.75 | Borrower to whom loan has been given | No | January 10, 2020 | Acquired in the SARFAESI Proceedings |

**As at March 31, 2024**

(₹ in Crores)

| Particulars | Description of item of property | Gross Carrying Value | Title Deeds held in the name of | Whether title deed holder is promoter, director or relative of promoter. director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Group |
|---|---|---|---|---|---|---|
| Investment Property (Refer note 12) | Building | 2.75 | Borrower to whom loan has been given | No | January 10, 2020 | Acquired in the SARFAESI Proceedings |

Note: Due to the voluminous nature of transactions and sensitivity of the information, individual borrower wise details, in whose name the title deeds are held are not disclosed.

**(xi) Disclosure on Loans and Advances**

The Group has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 42. LIST OF RELATED PARTIES

| Nature of relationship | Name of party * |
|---|---|
| **Key managerial personnel (KMP)** | Mr. Kapish Jain |
| | Mrs. Sneha Patwardhan (upto July 01,2023) |
| | Ms Rupal Jain (w.e.f June 20, 2023 upto March 13, 2024) |
| | Ms Mauli Agarwal (upto March 13, 2024) |
| | Mr. Samrat Sanyal (w.e.f 23 August 2024) |
| | **Directors:** |
| | Mr. Nirmal Jain |
| | Mr. Venkataraman Rajamani |
| | Mr. Nilesh Vikamsey (upto March 31, 2024) |
| | Mr. Vijay Kumar Chopra (upto May 20, 2024) |
| | Mr. Chandran Ratnaswami (upto May 10, 2024) |
| | Ms. Geeta Mathur (upto September 17, 2024) |
| | Mr. Ramakrishnan Subramanian |
| | Mr. Arun Kumar Purwar^ |
| | Mr. T. S. Ramakrishnan (w.e.f October 26, 2023) |
| | Mr. Bijou Kurien (w.e.f March 13, 2024) |
| | Ms. Nirma Anil Bhandari (w.e.f September 16, 2024) |
| | Mr. Gopalakrishnan Soundarajan (w.e.f May 11, 2023) |
| | Mr. Nihar Niranjan Jambusaria (w.e.f March 13, 2024) |
| **Close members of KMP** | Mr. Shankar Subramanian (close member of Mr. Ramakrishnan Subramanian) |
| | Ms. Manisha Jain (close member of Mr. Kapish Jain) |
| | Ms. Anushka Jain (close member of Mr. Kapish Jain) |
| | Ms. Ishita Jain (close member of Mr. Kapish Jain) |
| **Other related parties** | IIFL Capital Services Limited (Formerly known as IIFL Securities Limited) |
| | 5paisa Capital Limited |
| | 5paisa P2P Limited |
| | IIFL Commodities Limited |
| | IIFL Facilities Services Limited |
| | 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited) |
| | 360 One WAM Limited (Formerly IIFL Wealth Management Limited) |
| | 360 One Distribution Services Limited (Erstwhile IIFL Wealth Distribution Services Limited) |
| | IIFL Management Services Limited |
| | Livlong Protection & Wellness Solutions Limited |
| | India Infoline Employee Trust Limited |
| | Livlong Insurance Brokers Limited |
| | Open Financial Technologies Private Limited (upto March 28, 2025) |
| | FIH Mauritius Investments Limited |
| | IIFL Capital Asset Management Limited |
| | Arcon Techsolutions Private Limited |
| | Grey Swift Private Limited (upto March 28, 2025) |
| | India Infoline Foundation |

* The above list includes related parties with whom transactions have been carried out during the year.

^ Acting as Independent Director upto March 31, 2024, subsequently appointed as an Additional Non-executive Director (Non Independent) and Chairperson of the Company w.e.f April 01, 2024.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## 42.1 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Interest income** | | | |
| 5paisa Capital Limited | - | - | - |
| | (7.69) | - | (7.69) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (12.18) | - | (12.18) |
| Mr. Shankar Subramanian | - | 0.00 | 0.00 |
| | - | (0.02) | (0.02) |
| **Interest expense** | | | |
| IIFL Management Services Limited | - | - | - |
| | (0.16) | - | (0.16) |
| 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited) | 0.01 | - | 0.01 |
| | (1.61) | - | (1.61) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (0.57) | - | (0.57) |
| **Donation paid** | | | |
| India Infoline Foundation | 33.60 | - | 33.60 |
| | (25.76) | - | (25.76) |
| **Arranger/ processing fees /brokerage on non convertible debenture/merchant banking fees** | | | |
| 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited) | - | - | - |
| | (1.78) | - | (1.78) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 0.84 | - | 0.84 |
| | (0.84) | - | (0.84) |
| 5paisa Capital Limited | - | - | - |
| | (0.82) | - | (0.82) |
| **Rent expenses** | | | |
| IIFL Facilities Services Limited | 8.16 | - | 8.16 |
| | (6.57) | - | (6.57) |
| **Referral fees income/Other charges Income** | | | |
| Livlong Protection & Wellness Solutions Limited | 67.97 | - | 67.97 |
| | (57.83) | - | (57.83) |
| Mr. Shankar Subramanian | - | 0.02 | 0.02 |
| | - | (0.04) | (0.04) |
| **Commission / brokerage expense** | | | |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 3.29 | - | 3.29 |
| | (9.52) | - | (9.52) |
| 360 One Distribution Services Limited (Erstwhile IIFL Wealth Distribution Services Limited) | 0.11 | - | 0.11 |
| | - | - | - |
| Open Financial Technologies Private Limited | 5.91 | | 5.91 |
| | - | - | - |
| **Equity dividend paid** | | | |
| India Infoline Employee Trust | - | - | - |
| | (0.03) | - | (0.03) |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **ICD/loan taken** | | | |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (100.00) | - | (100.00) |
| **ICD/loan returned** | | | |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (100.00) | - | (100.00) |
| **ICD/loan given** | | | |
| 5paisa Capital Limited | - | - | - |
| | (580.00) | - | (580.00) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (2,100.00) | - | (2,100.00) |
| **ICD/loan received back** | | | |
| 5paisa Capital Limited | - | - | - |
| | (580.00) | - | (580.00) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (2,100.00) | - | (2,100.00) |
| Mr. Shankar Subramanian | - | 0.04 | 0.04 |
| | - | (0.09) | (0.09) |
| **Allocation / reimbursement of expenses paid** | | | |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 11.15 | - | 11.15 |
| | (14.23) | - | (14.23) |
| IIFL Management Services Limited | 0.03 | - | 0.03 |
| | (0.15) | - | (0.15) |
| IIFL Facilities Services Limited | 3.03 | - | 3.03 |
| | (3.10) | - | (3.10) |
| 5paisa Capital Limited | 0.46 | - | 0.46 |
| | (0.38) | - | (0.38) |
| **Allocation / reimbursement of expenses paid others** | | | |
| IIFL Facilities Services Limited | - | - | - |
| | (0.06) | - | (0.06) |
| IIFL Management Services Limited | 0.00 | - | 0.00 |
| | (0.00) | - | (0.00) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (0.00) | - | (0.00) |
| India Infoline Commodities Limited | - | - | - |
| | (0.02) | - | (0.02) |
| Livlong Insurance Brokers Limited | - | - | - |
| | (0.00) | - | (0.00) |
| Livlong Protection & Wellness Solutions Limited | 0.00 | - | 0.00 |
| | (0.00) | - | (0.00) |
| IIFL Capital Asset Management Limited | 0.00 | - | 0.00 |
| | - | - | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Allocation / reimbursement of expenses received** | | | |
| IIFL Facilities Services Limited | 0.13 | - | 0.13 |
| | (0.06) | - | (0.06) |
| 5paisa Capital Limited | 1.63 | - | 1.63 |
| | (2.05) | - | (2.05) |
| IIFL Management Services Limited | 0.10 | - | 0.10 |
| | (0.15) | - | (0.15) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 3.67 | - | 3.67 |
| | (4.14) | - | (4.14) |
| Livlong Protection & Wellness Solutions Limited | 0.70 | - | 0.70 |
| | (0.31) | - | (0.31) |
| **Allocation / reimbursement of expenses received others** | | | |
| IIFL Management Services Limited | 0.08 | - | 0.08 |
| | (0.16) | - | (0.16) |
| IIFL Capital Asset Management Limited | 0.06 | - | 0.06 |
| | - | - | - |
| India Infoline Foundation | 0.08 | - | 0.08 |
| | (0.00) | - | (0.00) |
| 5paisa Capital Limited | - | - | - |
| | (0.01) | - | (0.01) |
| Livlong Insurance Brokers Limited | - | - | - |
| | (0.00) | - | (0.00) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (0.02) | - | (0.02) |
| **Security deposit paid** | | | |
| IIFL Facilities Services Limited | 0.30 | - | 0.30 |
| | (2.45) | - | (2.45) |
| **Security deposit received** | | | |
| IIFL Facilities Services Limited | 1.18 | - | 1.18 |
| | - | - | - |
| **Purchase of investment (equity shares)** | | | |
| FIH Mauritius Investments Limited | 284.40 | - | 284.40 |
| | - | - | - |
| Open Financial Technologies Private Limited | 52.08 | - | 52.08 |
| | - | - | - |
| **Sale of investment** | | | |
| Kapish Jain | - | 0.87 | 0.87 |
| | - | - | - |
| Manisha Jain | - | 0.49 | 0.49 |
| | - | - | - |
| Anushka Jain | - | 0.49 | 0.49 |
| | - | - | - |
| Ishita Jain | - | 0.25 | 0.25 |
| | - | - | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Non convertible debenture Issued** | | | |
| 360 ONE WAM LIMITED (Formerly Known as IIFL Wealth Management Limited) | 2.04 | - | 2.04 |
| | - | - | - |
| **Branding Income** | | | |
| Livlong Insurance Brokers Limited | 13.79 | - | 13.79 |
| | (5.64) | - | (5.64) |
| **Cross charge, platform fees and marketing Spends** | | | |
| Open Financial Technologies Private Limited | 1.55 | - | 1.55 |
| | (4.08) | - | (4.08) |
| **Interest Accrued** | | | |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | - | - | - |
| | (0.00) | - | (0.00) |
| IIFL Management Services Limited | - | - | - |
| | (0.00) | - | (0.00) |
| 360 ONE Prime Limited (Formerly known as IIFL Wealth Finance Limited) | - | - | - |
| | (0.07) | - | (0.07) |
| **Short term employee benefit** | | | |
| Mr. Nirmal Jain | - | 12.24 | 12.24 |
| | - | (11.09) | (11.09) |
| Mr. Kapish Jain | - | 1.86 | 1.86 |
| | - | (2.25) | (2.25) |
| Mrs. Sneha Patwardhan | - | - | - |
| | - | (0.15) | (0.15) |
| Ms. Rupal Jain | - | - | - |
| | - | (0.14) | (0.14) |
| Ms. Mauli Agarwal | - | 0.16 | 0.16 |
| | - | (0.02) | (0.02) |
| Mr. Samrat Sanyal | - | 0.42 | 0.42 |
| | - | - | - |
| **Long term employee benefit** | | | |
| Mr. Nirmal Jain | - | 0.02 | 0.02 |
| | - | (0.20) | (0.20) |
| Mr. Kapish Jain | - | 0.05 | 0.05 |
| | - | (0.05) | (0.05) |
| Mrs. Sneha Patwardhan | - | - | - |
| | - | (0.01) | (0.01) |
| Ms. Rupal Jain | - | - | - |
| | | (0.00) | (0.00) |
| Ms. Mauli Agarwal | - | 0.00 | 0.00 |
| | - | (0.01) | (0.01) |
| Mr. Samrat Sanyal | - | 0.01 | 0.01 |
| | - | - | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Share based payments** | | | |
| Mrs. Sneha Patwardhan | - | - | - |
| | - | (0.06) | (0.06) |
| Mr.Kapish Jain | - | 0.02 | 0.02 |
| | - | - | - |
| **Post employment benefits** | | | |
| Mr.Kapish Jain | - | 0.08 | 0.08 |
| | - | (0.10) | (0.10) |
| **Sitting fees and commission** | | | |
| Mr. Arun Kumar Purwar | - | 0.39 | 0.39 |
| | - | (0.53) | (0.53) |
| Mr. Nilesh Vikamsey | - | - | - |
| | - | (0.48) | (0.48) |
| Mr. Ramakrishnan Subramanian | - | 0.40 | 0.40 |
| | - | (0.35) | (0.35) |
| Mr. Vijay Kumar Chopra | - | 0.02 | 0.02 |
| | - | (0.35) | (0.35) |
| Ms. Geeta Mathur | - | 0.10 | 0.10 |
| | - | (0.44) | (0.44) |
| Mr. T. S. Ramakrishnan | - | 0.11 | 0.11 |
| | - | (0.04) | (0.04) |
| Mr. Bijou Kurien | - | 0.30 | 0.30 |
| | - | (0.02) | (0.02) |
| Mr. Nihar Niranjan Jambusaria | - | 0.46 | 0.46 |
| | - | (0.02) | (0.02) |
| Ms. Nirma Anil Bhandari | - | 0.18 | 0.18 |
| | - | - | - |
| **Purchase of Fixed assets** | | | |
| IIFL Facilities Services Limited | 0.00 | - | 0.00 |
| | (0.01) | - | (0.01) |
| IIFL Management Services Limited | 0.01 | - | 0.01 |
| | (0.00) | - | (0.00) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 0.18 | - | 0.18 |
| | (0.23) | - | (0.23) |
| 5paisa Capital Limited | 0.09 | - | 0.09 |
| | (0.02) | - | (0.02) |
| Livlong Protection & Wellness Solutions Limited | 0.00 | - | 0.00 |
| | (0.00) | - | (0.00) |
| India Infoline Foundation | 0.01 | - | 0.01 |
| | - | - | - |
| Livlong Insurance Brokers Limited | 0.00 | - | 0.00 |
| | (0.01) | - | (0.01) |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Sale of Fixed assets** | | | |
| 5paisa Capital Limited | 0.04 | - | 0.04 |
| | (0.02) | - | (0.02) |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 0.18 | - | 0.18 |
| | (0.08) | - | (0.08) |
| IIFL Management Services Limited | 0.01 | - | 0.01 |
| | (0.01) | - | (0.01) |
| IIFL Facilities Services Limited | 0.50 | - | 0.50 |
| | (0.00) | - | (0.00) |
| India Infoline Foundation | 0.00 | - | 0.00 |
| | (0.01) | - | (0.01) |
| IIFL Capital Asset Management Limited | 0.00 | - | 0.00 |
| | - | - | - |
| Livlong Protection & Wellness Solutions Limited | 0.00 | - | 0.00 |
| | (0.00) | - | (0.00) |
| **Availment of technical services** | | | |
| Arcon Techsolutions Private Limited | 0.03 | - | 0.03 |
| | - | - | - |
| Grey Swift Private Limited | 0.12 | - | 0.12 |
| | - | - | - |

## NOTE 42.2 CLOSING BALANCES WITH RELATED PARTIES

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Other payable** | | | |
| IIFL Facilities Services Limited | 0.00 | - | 0.00 |
| | (0.30) | - | (0.30) |
| Open Financial Technologies Private Limited | - | - | - |
| | (0.42) | - | (0.42) |
| 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited) | - | - | - |
| | (0.34) | - | (0.34) |
| IIFL Management Services Limited | 0.00 | - | 0.00 |
| | - | - | - |
| IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd) | 0.04 | - | 0.04 |
| | (1.17) | - | (1.17) |
| **Other receivable** | | | |
| IIFL Management Services Limited | - | - | - |
| | (0.01) | - | (0.01) |
| Livlong Insurance Brokers Limited | 1.41 | - | 1.41 |
| | (0.95) | - | (0.95) |
| Livlong Protection & Wellness Solutions Limited | 6.47 | - | 6.47 |
| | (8.47) | - | (8.47) |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| 5paisa Capital Limited | 0.33 | - | 0.33 |
| | (0.33) | - | (0.33) |
| India Infoline Foundation | 23.70 | - | 23.70 |
| | (0.00) | - | (0.00) |
| IIFL Capital Asset Management Limited | 0.03 | - | 0.03 |
| | - | - | - |
| **Security Deposit receivable** | | | |
| IIFL Facilities Services Limited | 3.00 | - | 3.00 |
| | (3.88) | - | (3.88) |
| **Outstanding non convertible debenture issued** | | | |
| 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited) | - | - | - |
| | (5.62) | - | (5.62) |
| **Loan & other receivable** | | | |
| Mr. Shankar Subramanian | - | - | - |
| | - | (0.04) | (0.04) |
| **Gratuity payable*** | | | |
| Mr.Nirmal Jain | - | 0.18 | 0.18 |
| | - | (0.16) | (0.16) |
| Mr.Kapish Jain | - | 0.07 | 0.07 |
| | - | (0.03) | (0.03) |
| Ms Rupal Jain | - | - | - |
| | | (0.00) | (0.00) |
| Ms Mauli Agarwal | - | - | - |
| | - | (0.00) | (0.00) |
| Mr Samrat Sanyal | - | 0.00 | 0.00 |
| | - | - | - |
| **Leave encashment payable *** | | | |
| Mr. Nirmal Jain | - | 1.12 | 1.12 |
| | - | (1.10) | (1.10) |
| Mr. Kapish Jain | - | 0.06 | 0.06 |
| | - | (0.02) | (0.02) |
| Ms. Rupal Jain | - | - | - |
| | - | (0.00) | (0.00) |
| Mr Samrat Sanyal | - | 0.01 | 0.01 |
| | - | - | - |
| Ms. Mauli Agarwal | - | - | - |
| | - | (0.01) | (0.01) |
| **Short term employee benefits payable** | | | |
| Mr.Nirmal Jain | | 0.42 | 0.42 |
| | | - | - |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Nature of Transaction | Other related parties | KMP and close members of KMP | Total |
|---|---|---|---|
| **Sitting Fees and Commission payable** | | | |
| Mr. Arun Kumar Purwar | | 0.15 | 0.15 |
| | | (0.01) | (0.01) |
| Mr. Ramakrishnan Subramanian | | 0.28 | 0.28 |
| | | - | - |
| Mr. Bijou Kurien | | 0.15 | 0.15 |
| | | - | - |
| Mr. Nihar Jambusaria | | 0.15 | 0.15 |
| | | - | - |
| Ms. Nirma Anil Bhandari | | 0.08 | 0.08 |
| | | - | - |

** Based on actuarial valuation report*

*#0.00 denotes amount less than ₹fifty thousand*

*(Figure in bracket represents previous year figures)*

**42.3** During the year, the parent Company paid remuneration to the Managing Director in accordance with the terms duly approved by the Board of Directors and the Shareholders, subject to the limits prescribed under Schedule V to the Companies Act, 2013. The Company has inadequate profits for the FY 2024-2025. Consequently, the remuneration paid to the Managing Director exceeded the limits specified under Schedule V, by ₹9.88 crores. The Board of Directors has ratified the payment at its meeting and has proposed the matter for Shareholders' approval by way of a special resolution at the forthcoming Annual General Meeting. Pending such approvals, the remuneration paid has been accounted as expense for the year. In accordance with provision contained in section 197(9) of the Act, the excess remuneration is held by the Managing Director in trust for the Company pending such approval.

## NOTE 43.1. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2025

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| **[1]** | **Financial assets** | | | |
| (a) | Cash and cash equivalents | 2,066.63 | - | 2,066.63 |
| (b) | Bank balance other than (a) above | 1,276.22 | 848.93 | 2,125.15 |
| (c) | Derivative financial instruments | - | 50.25 | 50.25 |
| (d) | Receivables | | | |
| | (i) Trade receivables | 107.53 | - | 107.53 |
| | (ii) Other receivables | - | - | - |
| (e) | Loans | 25,487.45 | 29,876.81 | 55,364.26 |
| (f) | Investments | 687.53 | 3,750.46 | 4,437.99 |
| (g) | Other financial assets | 316.39 | 826.58 | 1,142.97 |
| **[2]** | **Non-financial assets** | | | |
| (a) | Current tax assets (net) | 57.04 | 212.15 | 269.19 |
| (b) | Deferred tax assets (net) | - | 385.41 | 385.41 |
| (c) | Investment property | - | 870.76 | 870.76 |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| (d) | Property, plant and equipment | - | 162.66 | 162.66 |
| (e) | Capital work-in-progress | - | 22.29 | 22.29 |
| (f) | Intangible assets under development | - | 0.99 | 0.99 |
| (g) | Right to use assets | - | 445.53 | 445.53 |
| (h) | Other intangible assets | - | 7.59 | 7.59 |
| (i) | Other non-financial assets | 131.10 | 53.89 | 184.99 |
| **Total Assets** | | **30,129.89** | **37,514.30** | **67,644.19** |
| **Liabilities And Equity** | | | | |
| **Liabilities** | | | | |
| **[1]** | **Financial liabilities** | | | |
| (a) | Derivative financial instruments | 92.75 | 18.15 | 110.90 |
| (b) | Payables | | | |
| (I) | Trade payables | | | |
| (i) | total outstanding dues of micro enterprises and small enterprises | 10.39 | - | 10.39 |
| (ii) | total outstanding dues of creditors other than micro enterprises and small enterprises | 175.21 | 0.04 | 175.25 |
| (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 | 34.28 | - | 34.28 |
| (c) | Finance lease obligation | 97.80 | 367.53 | 465.33 |
| (d) | Debt securities | 6,062.26 | 10,709.98 | 16,772.24 |
| (e) | Borrowings (other than debt securities) | 10,278.94 | 20,779.66 | 31,058.60 |
| (f) | Subordinated liabilities | 147.49 | 3,089.70 | 3,237.19 |
| (g) | Other financial liabilities | 1,451.52 | 16.06 | 1,467.58 |
| **[2]** | **Non-financial liabilities** | | | |
| (a) | Current tax liabilities (net) | 10.53 | - | 10.53 |
| (b) | Provisions | 78.32 | 44.36 | 122.68 |
| (c) | Deferred tax liabilities (net) | - | - | - |
| (d) | Other non-financial liabilities | 203.47 | 20.78 | 224.25 |
| **[3]** | **EQUITY** | | | |
| (a) | Equity share capital | - | 84.90 | 84.90 |
| (b) | Other equity | - | 12,327.29 | 12,327.29 |
| (c) | Non-controlling interest | - | 1,542.78 | 1,542.78 |
| **Total Liabilities and Equity** | | **18,642.96** | **49,001.24** | **67,644.20** |

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 43.2. MATURITY ANALYSIS OF ASSETS AND LIABILITIES AS AT MARCH 31, 2024

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| **[1]** | **Financial assets** | | | |
| (a) | Cash and cash equivalents | 2,469.87 | - | 2,469.87 |
| (b) | Bank balance other than (a) above | 1,439.99 | 335.86 | 1,775.85 |
| (c) | Derivative financial instruments | 149.89 | 7.80 | 157.69 |
| (d) | Receivables | | | |
| | (i) Trade receivables | 102.42 | - | 102.42 |
| | (ii) Other receivables | 29.65 | - | 29.65 |
| (e) | Loans | 23,994.09 | 26,958.23 | 50,952.32 |
| (f) | Investments | 385.39 | 3,673.59 | 4,058.98 |
| (g) | Other financial assets | 434.05 | 986.72 | 1,420.77 |
| **[2]** | **Non-financial assets** | | | |
| (a) | Current tax assets (net) | 23.09 | 174.61 | 197.70 |
| (b) | Deferred tax assets (net) | - | 151.79 | 151.79 |
| (c) | Investment property | - | 295.90 | 295.90 |
| (d) | Property, plant and equipment | - | 168.47 | 168.47 |
| (e) | Capital work-in-progress | - | 51.83 | 51.83 |
| (f) | Intangible assets under development | - | 0.50 | 0.50 |
| (g) | Right to use assets | - | 436.11 | 436.11 |
| (h) | Other intangible assets | - | 4.68 | 4.68 |
| (i) | Other non-financial assets | 77.09 | 52.74 | 129.83 |
| **Total Assets** | | **29,105.53** | **33,298.83** | **62,404.36** |
| **Liabilities And Equity** | | | | |
| **Liabilities** | | | | |
| **[1]** | **Financial liabilities** | | | |
| (a) | Derivative financial instruments | 3.56 | 29.97 | 33.53 |
| (b) | Payables | | | |
| | (I) Trade payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | 8.84 | - | 8.84 |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 198.04 | - | 198.04 |
| (c) | Finance lease obligation | 104.66 | 356.84 | 461.50 |
| (d) | Debt securities | 2,819.86 | 6,317.61 | 9,137.47 |
| (e) | Borrowings (other than debt securities) | 11,900.88 | 22,197.32 | 34,098.20 |
| (f) | Subordinated liabilities | 325.83 | 3,112.70 | 3,438.53 |
| (g) | Other financial liabilities | 2,649.21 | 10.11 | 2,659.32 |
| **[2]** | **Non-financial liabilities** | | | |
| (a) | Current tax liabilities (net) | 7.68 | - | 7.68 |

(₹ in Crores)

| Sr. No | Particulars | Within 12 months | After 12 months | Total |
|---|---|---|---|---|
| | (b) Provisions | 62.76 | 29.05 | 91.81 |
| | (c) Deferred tax liabilities (net) | - | 1.21 | 1.21 |
| | (d) Other non-financial liabilities | 211.79 | - | 211.79 |
| **[3]** | **EQUITY** | | | |
| | (a) Equity share capital | - | 76.31 | 76.31 |
| | (b) Other equity | - | 10,560.68 | 10,560.68 |
| | (c) Non-controlling interest | - | 1,419.45 | 1,419.45 |
| **Total Liabilities and Equity** | | **18,293.11** | **44,111.25** | **62,404.36** |

## NOTE 44. CORPORATE SOCIAL RESPONSIBILITY:

During the financial year 2024-25, the Group has spent ₹ 20.25 crore (previous year ₹ 27.86 crore) towards corporate social responsibility. There is a shortfall of ₹28.86 crore (previous year ₹ 8.51 crore), most of which pertains to the ongoing projects. The unspent amount towards the ongoing projects have been transferred to separate bank accounts as per the regulation. In respect of other than ongoing projects during the previous year , the Group has transferred unspent amount of ₹0.01 crore to the PM Cares Fund, a fund specified in Schedule VII to the Companies Act.

## NOTE 45. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS:

| Name of entity in the Group | Net Assets i.e Total Assets less Total Liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in crores) | As % of consolidated profit or loss | Amount (₹ in crores) | As % of consolidated other comprehensive income | Amount (₹ in crores) | As % of consolidated total comprehensive income | Amount (₹ in crores) |
| IIFL Finance Limited | 31.15% | 4,347.22 | (70.84%) | (409.57) | 23.09% | (3.06) | (73.05%) | (412.64) |
| **Indian Subsidiaries** | | | | | | | | |
| IIFL Home Finance Limited | 42.51% | 5,931.87 | 134.43% | 777.19 | 60.11% | (7.97) | 136.17% | 769.22 |
| IIFL Samasta Finance Limited | 14.51% | 2,025.27 | 3.51% | 20.31 | 1.40% | (0.19) | 3.56% | 20.12 |
| IIFL Open Fintech Private Limited | 0.77% | 107.83 | (1.59%) | (9.16) | (0.02%) | 0.00 | (1.62%) | (9.16) |
| **Subtotal** | **88.94%** | **12,412.19** | **65.51%** | **378.77** | **84.58%** | **(11.23)** | **65.06%** | **367.54** |
| Non Controlling interest in subsidiaries | 11.06% | 1,542.78 | 34.49% | 199.39 | 15.42% | (2.04) | 34.94% | 197.35 |
| **Total** | | **13,954.97** | | **578.16** | | **(13.27)** | | **564.89** |

*0.00 denotes amount less than ₹ fifty thousand

## NOTE 46. SEGMENT REPORTING

The Group's primary business segments are reflected based on the principal business carried out, i.e. financing. All other activities of the Group revolve around the main business. The risk and returns of the business of the Group is not associated with geographical segmentation, hence there is no secondary segment reporting based on geographical segment. As such, there are no separate reportable segments as per the Indian Accounting Standard 108 on 'Segment Reporting'.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2025**

## NOTE 47. SHARED SERVICES

The Group operates from and uses the premises, infrastructure and other facilities and services as provided to it by its group companies, which are termed as 'Shared Services'. Hitherto, such shared services consisting of administrative and other revenue expenses paid for by the Group were identified and recovered/recoverable from them based on reasonable management estimates, which are constantly refined in the light of additional knowledge gained relevant to such estimation. These expenses are recovered on an actual basis and the estimates are used only where actual were difficult to determine.

**NOTE 48.** On March 04, 2024, the Reserve Bank of India (RBI), under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, directed the parent Company to cease the sanctioning or disbursing of new gold loans and the assignment, securitization, or sale of existing gold loans with immediate effect. As part of their process RBI initiated a Special Audit by an Independent Professional agency & concluded the same. The parent Company has taken necessary measures to address the identified concerns and prevent their recurrence. Subsequent to this RBI on September 19, 2024 after a careful examination of the submissions made and the remedial actions taken by the parent Company, conveyed its decision to lift the said restrictions with immediate effect. The parent Company has since then commenced its normal business operations.

**NOTE 49:** During January 2025, the Income Tax Department conducted a search under the provisions of the Income Tax Act, 1961, at the registered office and other premises of the parent Company and IIFL Home Finance Limited (Subsidiary). The Group has extended full cooperation to the authorities and continues to provide all information, documents, and clarifications as requested. As of the date of these financial statements, the Group has not received any communication from the Department regarding the outcome of the search. Accordingly, the potential financial impact, if any, arising from the search proceedings cannot be ascertained at this stage.

## NOTE 50. THE CODE ON SOCIAL SECURITY, 2020

a. Social security means the measures of protection afforded to employees, inclusive of unorganized workers, gig workers and platform workers to ensure access to health care and to provide income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner by means of rights conferred on them and schemes framed, under the Code on Social Security, 2020 ("Code").

b. The Code subsumes nine central labour legislations.ie., The Employees' Compensation Act, 1923, The Employees' State Insurance Act, 1948, The Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, The Maternity Benefit Act, 1961, The Payment of Gratuity Act, 1972, The Cine Workers Welfare Fund Act, 1981, The Building and Other Construction Workers Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

c. The objective of the Code is to amend and consolidate the existing labour laws relating to social security with the wider goal of extending social security benefits to all employees and workers irrespective of belonging to the organised or unorganised sector. The Code brings, within itself the self-employed workers, home workers, wage workers, migrant workers, the workers in the unorganised sector, gig workers and platform workers for the purpose of social security schemes, including life insurance and disability insurance, health and maternity benefits, provident fund.

**NOTE 51.** Previous year's figures are regrouped, reclassified and rearranged wherever considered necessary to confirm to current year's presentation.

**For and on behalf of the Board of Directors**
**of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

# Form AOC-I

**Salient features of financial statements of Subsidiaries as per Companies Act, 2013 as on March 31, 2025**

(₹ in Crores)

| Sr. No. | Particulars | IIFL Home Finance Limited | IIFL Samasta Finance Limited | IIFL Open Fintech Private Limited | IIHFL Sales Limited |
|---|---|---|---|---|---|
| 1 | Share Capital | 26.34 | 668.44 | 16.84 | 0.55 |
| 2 | Other Equity | 7,463.97 | 1,365.48 | 94.55 | 15.27 |
| 3 | Total Assets | 28,351.79 | 9,225.83 | 112.16 | 48.98 |
| 4 | Total Liabilities | 20,861.48 | 7,191.91 | 0.77 | 33.16 |
| 5 | Investments | 375.48 | 717.33 | 75.45 | - |
| 6 | Total Turnover | 3,711.56 | 2,575.11 | 8.85 | 25.66 |
| 7 | Profit/ (loss) before taxation | 1,279.84 | 15.65 | (12.89) | (24.06) |
| 8 | Provision for taxation (including deferred tax) | 284.69 | (4.75) | (3.71) | (5.99) |
| 9 | Total Comprehensive Income | 984.98 | 20.20 | (9.18) | (17.91) |
| 10 | Proposed preference dividend | - | - | - | - |
| 11 | Extent of interest in subsidiary | 79.59% | 99.56% | 100.00% | 100.00% |

Note: Reporting period for the subsidiary is the same as holding company.

**For and on behalf of the Board of Directors**
**of IIFL FINANCE LIMITED**

**Arun Kumar Purwar**
Chairperson & Non-executive Director
DIN : 00026383

**Nirmal Jain**
Managing Director
DIN : 00010535

**Kapish Jain**
Chief Financial Officer

**Samrat Sanyal**
Company Secretary & Compliance Officer

Place : Mumbai
Dated: May 08, 2025

## NOTES

## NOTES

**IIFL FINANCE LIMITED**
CIN: L67100MH1995PLC093797

**Registered Office:**
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial Area,
Wagle Estate, Thane - 400 604

**Corporate Office:**
802, 8th Floor, Hubtown Solaris,
N. S. Phadke Marg, Vijay Nagar,
Andheri East, Mumbai - 400 069
Tel: +91 22 6788 1000
Email: shareholders@iifl.com ir@iifl.com
Website: www.iifl.com

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/IIFLCorporate
IIFL (India Infoline Group)