

30th September 2025

To,

| | |
|---|--|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 533344 | National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400051 Scrip Symbol: PFS |
|---|--|

Sub: Clarification in respect of the resignation of the Independent Directors

Dear Sir/Madam,

With reference to your Clarification Letter dated 30th September 2025, we would like to clarify the queries as under:

| Sr. No. | Query | Management Response |
|---------|---|--|
| 1 | The resignation letters mentioned that during last few months an environment was created which made the functioning difficult for all of the three IDs - Company is required to provide detailed comments on the above. | <p>As already stated vide our letter submitted on 29th September 2025, the Management is surprised by the unexpected resignation of the aforementioned Independent Directors and more so because of the reasons cited in their resignation letters.</p> <p>In the 13th meeting of the Independent Directors held on 4th June 2025, the Independent Directors carried out the evaluation of the “Board of Directors as a whole” and no grievance or concern of the nature now mentioned was discussed at that time. In the said meeting, the Independent Directors assessed the quality, quantity and timeliness of the flow of information between the management and the Board of Directors, which is essential for the Board to effectively and reasonably perform its duties.</p> <p>In the said meeting, all the four Independent Directors including the said three Independent Directors expressed their appreciation for the improvement in the quality, quantity and timeliness of the flow of information between the management and the Board of Directors.</p> |
| 2 | Did the IDs highlight any difficulties faced or deterioration of the environment in the last six months to the Company/ Directors or KMPs? If yes, what were the specific concerns/ | In all meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and other Board committees, the Independent Directors have participated openly and fairly. They had exercised complete freedom to express their views without any restriction |

PTC India Financial Services Ltd. (CIN: L65999DL2006PLC153373)

(A subsidiary of PTC India Limited)

Registered Office: 7th Floor, Telephone Exchange Building, 8 Bhikaji Cama Place, New Delhi - 110 066, India

Board: +91 11 26737300 / 26737400 Fax: 26737373 / 26737374, Website: www. ptcfinancial.com, E-mail: info@ptcfinancial.com

| | | |
|---|---|---|
| | <p>issues raised by them and what responses were provided by the management to the same.</p> | <p>whatsoever, which have been duly recorded and at no point did any Independent Director complain of circumstances that prevented them from discharging their duties.</p> <p>Further, all statutory/ regulatory committees of the Board, were chaired by Independent Director, unless otherwise required under statutory/ regulatory provisions.</p> <p>It is reiterated that none of them had ever discussed such issues with the Board of Directors or the Management prior to submitting their resignations.</p> |
| 3 | <p>What were the corporate governance and other issues as identified in the last 3 years that is referred to in the letter.</p> | <p>On 19th January 2022, three Independent Directors of the Company resigned. In their resignation letters, the said three Independent Directors had raised certain allegations of violation of corporate governance norms. Consequent to the resignation of the Independent Directors in the Company, the Board of the Company on 19th January 2022, became non-functional and as a result, all the other Board Committees, viz. Nomination and Remuneration Committee (NRC), Risk Management Committee (RMC), Stakeholder Relations Committee (SRC) and Corporate Social Responsibility Committee (CSRC), were also rendered inoperable. On 21st January 2022, another Independent Director in both - the Company and its holding company (tenure as Independent Director in the Company ended on 31st December 2021) also resigned from the Board of the holding company citing similar concerns raised by the three Independent Directors of the Company in their resignation letters.</p> <p>These issues were investigated by SEBI, which pronounced its orders on 12th June 2024 against the then Non-Executive Chairman and the then MD&CEO. The then Non-Executive Chairman and the then MD&CEO filed an appeal against the said order with Securities Appellate Tribunal (SAT). SAT vide its order dated 11th December 2024 quashed the said order dated 12th June 2024 passed by WTM, SEBI <i>qua</i>, the then Non Executive Chairman. As regards, the then MD&CEO, his appeal filed with SAT against the order of WTM, SEBI is reserved for orders.</p> |

| | | |
|---|--|---|
| 4 | <p>What were the steps taken by the company along with the IDs to address the erstwhile compliance issues/ concerns.</p> | <p>As an immediate step, the Board was made functional by induction of adequate number of its members including Independent Directors. This led to respective committees also becoming fully functional.</p> <p>Further, the positions of Whole-time Directors including MD&CEO and CFO and other KMPs have since been filled-up.</p> <p>Additionally, the Compliance Function has been strengthened which is evident from the various filings to the stock exchanges including Secretarial Compliance Report, from time to time.</p> |
|---|--|---|

The Management would further like to confirm that the Company remains committed to upholding the highest standards of governance, transparency and ethical business practices, while continuing to meet stakeholder expectations.

Yours faithfully,

For PTC India Financial Services Limited

R Balaji
Managing Director & CEO