

July 01, 2026

BSE Limited

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

BSE Scrip Code: 524000

National Stock Exchange of India Limited

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

NSE Symbol: POONAWALLA

Dear Sir / Madam,

Subject: Notice of Annual General Meeting and Annual Report for the Financial Year 2025-26.

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

This is in furtherance to our letter dated May 05, 2026, we hereby inform you that the 46th Annual General Meeting ("AGM") of the Company will be held on Friday, July 24, 2026, at 03:00 P.M ('IST') through Video Conferencing ("VC") /Other Audio-Visual Means ("OAVM").

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

- I) Notice of the AGM of the Company (including e-voting instructions).
- II) Annual Report of the Company for the Financial Year (FY) ended March 31, 2026.

The Annual Report for the FY 2025-26 and the Notice of the AGM is available on the Company's website at the link i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Annual-Report-FY-2025-26.pdf> and <https://poonawallafincorp.com/documents/20121/0/PFL-46th-AGM-Notice-FY-2025-26.pdf> respectively.

Further, in compliance with circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and the Securities and Exchange Board of India ("SEBI Circulars"), copies of the Annual Report for the FY 2025-26 and Notice of the AGM of the Company (including E-voting instructions) are being sent through electronic mode to all the Shareholders whose email addresses are registered with the Registrar to an Issue and Share Transfer Agents of the Company viz. MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) or the Depository Participant(s).

Book Closure Notice: Pursuant to the provisions of Section 91 of the Companies Act, 2013 and the Rules framed thereunder, Notice is hereby given that the Register of Members and Transfer Books of the Company will remain closed from Saturday, July 18, 2026 to Friday, July 24, 2026 (both days inclusive) (both days inclusive) for the AGM.

Cut-off date and E-voting details: Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and read with MCA Circulars

Poonawalla Fincorp Limited

CIN: L51504PN1978PLC209007

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

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

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

and SEBI Circulars, the Company is pleased to provide all its Members the facility to exercise their vote electronically at the AGM of the Company, on all resolutions set forth in the Notice of the AGM.

Members of the Company holding shares either in physical or in dematerialized form as on the cut-off date, i.e., Friday, July 17, 2026, may exercise their votes electronically. The voting rights of Members shall be in proportion to their share in paid up equity capital of the Company as on Friday, July 17, 2026 ("cut-off date"). A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained with the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.

The remote e-voting period begins on Monday, July 20, 2026 at 09:00 a.m. (IST) and ends on Thursday, July 23, 2026, at 05:00 P.M. (IST).

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

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

Thanking You,

Yours faithfully,

For Poonawalla Fincorp Limited

Shabnum Zaman
Digitally signed by
Shabnum Zaman
Date: 2026.07.01
23:28:20 +05'30'

**Shabnum Zaman
Company Secretary
ACS-13918**

Enc: A/a

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ANNUAL REPORT
2025-26

Sustainable.
Predictable.
Productive.



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Key highlights: FY26

₹ 60,348 Crore
Assets under Management
69.4% Y-o-Y

1.44%
Gross Non-Performing Assets

0.74%
Net Non-Performing Assets

₹ 1,934 Crore
Pre-Provision
Operating Profit

63.93%
Promoter holding (March 2026)

59.03%
Promoter holding (post QIP)

16.83%
Capital to Risk-weighted
Assets Ratio (CRAR)
Regulatory Requirement: 15%

20.74%
Capital Adequacy Ratio[#]
(post ₹ 2,500 Crore QIP)

All financial figures presented herein reflect FY 2025-26 results and are based on standalone financial statements.

[#]Simulated

Poonawalla Fincorp Limited, part of the Cyrus Poonawalla Group, is a Non-Banking Financial Company focused on consumer and MSME finance. Our financial services offerings include Prime Personal Loan, Gold Loan, Education Loan, Consumer Durable Loan, Commercial Vehicle Loan, Shopkeeper Loan, Instant Consumer Loan, Loan Against Property, Pre-Owned Car Loan, Business Loan, Mid-Market Loan, Machinery and Medical Equipment Loan, and Professional Loan. With a strong focus on technology and innovation, we aim to unlock opportunities and support the growth of our customers.

NSE: **POONAWALLA**

BSE: **524000**

~\$ 150 Million
(~₹ 1,281.40 Crore) raised
via ECBs

₹ 13,830 Crore
Raised via NCDs

₹ 4,029 Crore
Net Interest Income
(incl Other Income)

₹ 10,298 Crore
Shareholders' Fund

₹ 7,590 Crore
Surplus Liquidity

15.90%
Tier-1 Capital Adequacy

4.67x
Debt-to-Equity Ratio

Sustainable. Predictable. Productive.

Rooted in our core philosophy of building a sustainable, predictable, and productive institution, FY26 marked the transition from foundation to disciplined expansion. As the financial ecosystem continues to evolve, we are strengthening our focus on innovation, diversification, and operational execution to build a resilient, scalable, and future-ready institution.

During the year, we expanded our presence across new business segments - Prime Personal Loan, Gold Loan, Consumer Durable Loan, Commercial Vehicle Loan, Education Loan & Shopkeeper Loan; while deepening our existing portfolio. Guided by proactive planning and prompt response to the market dynamics, we achieved strong growth in our AUM and profitability. Our Credit by Design approach embodies a "risk-first" approach, customer-centric product architecture, and compliant, technology-led execution at every stage of the credit lifecycle. The year also saw us reaffirm our client relationships and enhance our business resilience.

Digital and AI-led capabilities became central to our business transformation. The integration of Artificial Intelligence (AI) and advanced digital capabilities across operations enhanced our productivity, strengthened governance frameworks, and improved compliance monitoring.

To support our growth ambitions, we expanded our branch network, strengthened our organisational capabilities, and deepened our market presence. As fintech redefines financial services, we remain committed to leveraging technology, innovation, and responsible business practices to build a sustainable, predictable, and productive future.

Progress built on pillars of growth

Having solidified our foundation through strategic portfolio expansion, disciplined risk calibration, and investments in digital and technology capabilities, we entered FY26 with a clear strategic focus on accelerated expansion.

Building on the foundation established in FY25, we progressed through a phase of expansion in FY26, delivering on key priorities including scaling new products, expanding distribution, and deepening digital and AI-led capabilities. These initiatives supported higher disbursements, stronger partnerships and improved operational efficiency. With a robust platform in place, we are positioned to scale with continued focus on expanding our consumer base and digital ecosystems while leveraging AI and analytics to improve productivity and operation excellence.

EXPANSION STAGE FY26

During FY26, we accelerated expansion by scaling businesses, strengthening our phygital distribution network, and deepening our presence across emerging markets and customer segments. Investments in branch infrastructure, dealer ecosystems, channel partnerships, and digital alliances enhanced market reach, particularly across Tier II and Tier III markets. We also advanced our AI-led transformation agenda through integration of analytics, automation, and intelligent decisioning across key operations. These initiatives strengthened customer engagement, improved agility, and reinforced our position as a scalable and risk-calibrated retail franchise.

Transforming with AI

76
AI solutions

42
Successfully delivered

34
Underway

400

New gold loan branches launched by March 31, 2026

5-6x

AUM growth over the next 5 years (FY25 onwards)

Sustainability

Productivity

Predictability

Our Expansion strategy has been based on the following pillars



Sustainability

A WIDER MARKET WITH EXPANDED OFFERINGS

FY26 was a year of accelerated execution that saw us scale multiple businesses, launch six product lines, penetrate deeper into customer segments and strengthen retail franchisees.

In FY26, we extended our existing presence into Tier II and Tier III cities. Prime Personal Loan gained strong traction through a calibrated approach, focused on customer

quality, distribution reach and disciplined underwriting. Our Gold Loan business expanded across branches, enabling deeper penetration in secured retail lending markets. Consumer Durable Loan scaled its market presence through a wider dealer ecosystem and seamless point-of-sale financing solutions. The Commercial Vehicle (CV) business scaled steadily, supported by growing logistics and infrastructure ecosystem, while Education Loan saw encouraging

momentum within first year of launch, backed by consultants and strategic partners. Our Shopkeeper Loan enabled working capital access to self-employed individuals and MSME business owners through direct channels. The expansion was supported by our phygital distribution ecosystem, including expanded branch network, channel partnerships, digital aggregators, and embedded finance platforms during FY26.

FY26 PERFORMANCE HIGHLIGHTS

- **500+** branches (including **400** gold loan branches), **6** Call centres and **2,700+** channel partners
- Disbursements from new products business crossed **₹ 8,900+** Crore in FY26
- CV business expanded to **60** strategic locations across **13** states

- Education loan disbursement crossed **₹ 900** Crore
- On-boarded over **12,500** dealer points across **248** locations for Consumer Durable business
- New products contributed **18%** to total product disbursements for the year, with their share increasing to **24%** in Q4FY26

- Opex to net income improved to **52.01%** for FY26 and Opex to Average AUM improved to **4.13%** in Q4FY26



Productivity

WORKING SMARTER WITH AI, ANALYTICS, DIGITALISATION

FY26 marked a step change in execution. This was led by deployment of AI, digitalisation and operational intelligence. Investments in technology began delivering measurable leverage across underwriting, collections and customer service functions.

AI adoption scaled significantly, with the AI token consumption growing more than 100x Y-o-Y, reflecting deeper integration of AI into our daily workflows and decision-making.

Digitalisation improved productivity, with FY26 emerging as a breakthrough year for AI-led execution. Digital disbursements in Prime Personal Loan were 27% for FY26, with the exit run-rate improving to 30-34%

in Q4FY26. Our hiring platform reduced operational costs while enhancing hiring capacity. Customer service platforms reduced customer wait times and improved customer experience. AI-enabled platform, BuildBuddy, accelerated deployment cycles and improved development productivity.

FY26 PERFORMANCE HIGHLIGHTS

- **42** AI projects fully deployed till March 2026
- Bots launched are 'Ask-Ed' for education loan, 'BL Buddy' for business loan and 'LAP Assistant' for loan against property to enhance productivity and accelerate decision-making
- Bots like 'SecAssist' launched for secretarial function
- Automation of resume screening, validation, and AI-driven job matching significantly reduced manual effort, cutting overall hiring operational costs by **81%**
- AI-powered voice and chatbots handle **80-85%**

of customer interactions, significantly reducing queue load and improving customer response time

- AI token consumption **30+** Million tokens per month, meaning the system processes AI requests (inputs and outputs), with usage metrics directly derived from platform/API consumption logs and billing data

- Credit AI Integration, which led to **34%** improvement in underwriter productivity
- Digital Sourcing Mix for Prime Personal Loan reaching **27%** in FY26, underscoring operational excellence
- Received Most Innovative Practice Awards at the

2nd edition of the CII National Artificial Intelligence (AI) Awards 2025 for the categories "AI in underwriting solution" and "AI in hiring solution"

- **50+** machine learning models implemented across acquisition to debt management supporting data driven decisions
- **5,000+** features across multiple data sources capitalised for enhancing model efficiency



Predictability

ENSURING A SAFER FUTURE WITH RISK MITIGATION

Our risk management and governance practice is guided by the strategy of predict, pre-empt, and prevent. During the year, we strengthened the predictability of our operating model through disciplined portfolio calibration, proactive collections infrastructure, and AI-led risk management

systems. Credit costs declined, aided by improved collections efficiency, enhanced risk segmentation, and robust and real time portfolio monitoring.

We deployed AI and analytics across collections and portfolio monitoring functions. AI-enabled feedback loops between collections and underwriting enhanced real-time risk management and decision-

making. As of FY26, based on residual maturity, 63.68% of our borrowings were long-term borrowings, and 36.32% of our borrowings were short term borrowings. We maintained the highest credit ratings of AAA/Stable for long-term ratings and A1+ for short-term ratings, reinforcing stakeholder confidence and financial credibility.

FY26 PERFORMANCE HIGHLIGHTS

- Gross NPA improved to **1.44%**
- Net NPA improved to **0.74%**
- **6MoB30+** delinquency reduced to 1.05% for retail portfolio

- Credit Cost has been on a declining trend and reached **2.51%** for Q4FY26
- Adopted a digital and data-driven approach in collections
- **100%** digital payment ecosystem implemented

ABOUT US

Intelligent lending for a smarter future

Built on the foundation of legacy and trust of the Cyrus Poonawalla Group, Poonawalla Fincorp is a technology-driven NBFC dedicated to building a future-ready financial ecosystem. Guided by our philosophy of being sustainable, predictable and productive, we are transforming lending through AI-led innovation, digital intelligence, and customer-centric solutions. Underpinned by the Group's values, we continue to uphold the highest standards of financial prudence, governance and operational discipline, fostering enduring trust among customers and investors.

By integrating advanced technologies across sourcing, credit underwriting, collections, governance and customer engagement, we deliver faster, safer, and more seamless financial solutions. Our diversified product portfolio and customised offerings enable us to serve the evolving needs of individuals, professionals, and MSMEs while maintaining a strong risk discipline and operational efficiency.

Performance review

₹ **60,348** Crore
Assets under Management

5,860
Employees

AAA/Stable
CRISIL and CARE rating

20
States and Union territories covered

Our Vision

To be the Most Trusted Financial Services brand

TRUST

Denotes legacy and brand promise

FINANCIAL SERVICES

Holistic term that broadly defines the current and future business Expansion

Our Mission

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

PRODUCT PORTFOLIO

Consumer lending

- Instant Consumer Loan
- Professional Loan
- Pre-owned Car Loan
- Prime Personal Loan
- Education Loan
- Consumer Durable Loan
- Gold Loan

Commercial lending

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

* Mid-Market includes Supply Chain Finance and NBFC loan.

OUR VALUES – C.R.E.D.I.T

Transparent

Demonstrate transparency by fostering trust through openness, integrity, and clear communication with all stakeholders.

Innovative

Drive an innovative mindset by embracing new ideas, technologies, and approaches to drive efficiency, reach, and customer experience.

Direct

Be direct by communicating with clarity, honesty, and constructive intent to enable effective decision-making.

Collaborative

Foster a collaborative culture by driving teamwork through shared goals, collective ownership, and aligned execution.

Responsible

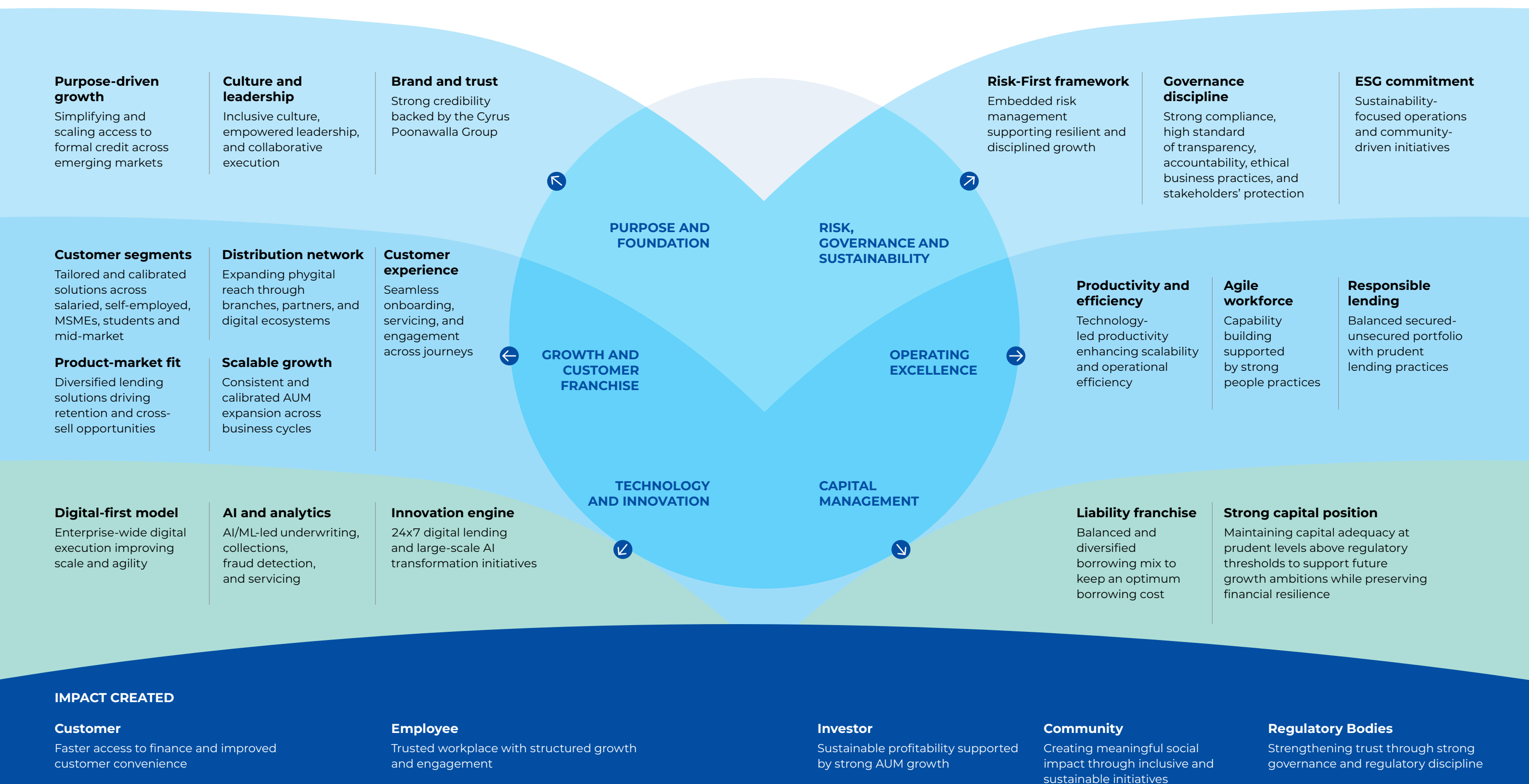
Lead with responsibility by owing accountability for outcomes while acting in the best interests of customers, communities, and the environment.

Entrepreneurial

Show an entrepreneurial mindset by demonstrating initiative, agility and ownership in identifying opportunities, and solving challenges.

BUSINESS MODEL

A future-ready business ecosystem



Diversity fosters sustainable growth

Poonawalla Fincorp converged on its diversified lending strategy in FY26 to build a more resilient and sustainable business model. Through expansion across product and customer segments, we are creating a balanced portfolio designed to navigate evolving market cycles while supporting long-term growth.

We also expanded into emerging growth segments, including Prime Personal Loan, Gold Loan, and Education Loan. Diversified lending enables deeper customer penetration while reducing risks across product and borrower categories.

The multi-product approach is cultivated in a diversified sourcing ecosystem, comprising direct channels, digital partnerships, dealer networks, consultants, and branch-led distribution. This operating model enhances customer reach, strengthens scalability, and improves portfolio resilience across economic environments.

PRODUCTS (NEW)

Prime Personal Loan, Gold Loan, Education Loan, Consumer Durable Loan, Commercial Vehicle Loan, and Shopkeeper Loan

PRODUCTS (EXISTING)

Instant Consumer Loan, Loan against Property, Pre-owned Car Loan, Business Loan, Mid-market, Machinery & Medical Equipment Loan, and Professional Loan

SOURCING CHANNELS

Physical branches, Digital channels, Call centres, Education consultants, Dealer networks, Direct selling agents, Website Digital Aggregators

CUSTOMER SEGMENTS

Salaried, Self-employed, Professionals, MSMEs, NBFCs, Corporates, Students, and Commercial vehicle fleet operators

TICKET SIZE RANGE

₹ 5,000-₹ 50 Crore

TENURE

Up to 15 years

OUR BUSINESS

POONAWALLA FINCORP

Make planned expenses easier to manage

Apply for an **Instant Personal Loan**

up to ₹15 Lakh

- 100% Digital Process
- Instant Disbursal
- 24x7 Availability

*T&C Apply

POONAWALLA FINCORP

Get an Instant Loan up to ₹5 Lakh

WITH **0 Foreclosure Charges***

Quick | Hassle-free | Stress-free

T&C Apply*

POONAWALLA FINCORP

Your BIG upgrades are now the easiest with our Consumer Durable Loan.

T&C Apply*

POONAWALLA FINCORP CONSUMER DURABLE LOAN

Happy Diwali

Buy Your Favourite Electronics and Smart Phones With Poonawalla Fincorp Consumer Durable Loan

EASY EMI | ZERO DOWNPAYMENT

POONAWALLA FINCORP

FAMILY TIME DESERVES A PERFECT GETAWAY

Fund it instantly with a Personal Loan **up to ₹15 Lakh**

- 100% Digital Process
- Quick Approval
- 24x7 Availability

POONAWALLA FINCORP

UPGRADE TO A LAPTOP THAT KEEPS UP WITH YOU

Get an Instant Personal Loan **up to ₹15 Lakh**

- 100% Digital Process
- Minimal Documents
- Long EMI Tenure

POONAWALLA FINCORP

LAPTOP WORLD

ZenBook Pro ₹35,999 Buy Now

SlimBook Air ₹25,999 Buy Now

TechPro X ₹24,999 Buy Now

SlimBook ₹22,999 Buy Now

POONAWALLA FINCORP

24x7 PRIME PERSONAL LOAN

Features & Benefits:

- Complete Digital Process
- Disbursal in Minutes
- Available 24x7
- Paperless Journey
- Loan up to ₹15 Lakh*
- Quick Approval
- Apply Anytime
- Instant Access to Funds

OUR BUSINESS

Tailored products for evolving needs

Financial needs are evolving rapidly, driven by changing customer expectations and demand for faster, more tailored solutions. We have strengthened our product portfolio through a balanced mix of established and emerging segments, enabling sustainable growth across customer categories. Backed by an advanced risk management framework and AI-led capabilities, we are enhancing customer responsiveness and enabling faster decision-making while delivering seamless financial solutions with minimal friction.



LOAN AGAINST PROPERTY (LAP)

LAP recorded strong growth in FY26 and remained the largest contributor to our AUM. The segment primarily focusses on MSMEs and self-employed customers, supported by our strong distribution network, deeper market reach and a differentiated direct sourcing channel that is among the most distinctive in the industry. Additionally, AI-led capabilities and robust risk assessment frameworks have strengthened underwriting and enabled scalable growth in the LAP portfolio.

28%
Share of AUM

₹ **16,935** Crore
AUM

INSTANT CONSUMER LOAN

This segment registered strong growth in FY26, contributing meaningfully to overall AUM. Growth was supported by stronger digital channels and expanded customer outreach. Primarily catering to salaried and self-employed customers, the segment benefited from our focused strategy, efficient processes, and strong emphasis on portfolio quality. The segment operates as a fully digital offering, supported by well-calibrated risk frameworks that enable scalable and controlled growth.

19%
Share of AUM

₹ **11,197** Crore
AUM

BUSINESS LOAN

Business Loan segment primarily serves self-employed individuals and MSME customers, leveraging a blended sourcing model driven by a DSA-led strategy and direct channels. During the year, we also launched our Digital Business Loan (Digital BL) offering, further strengthening our end-to-end digital capabilities and enhancing customer accessibility. The product offers robust capital solutions with flexible repayment horizons spanning from 6 to 60 months. This high-growth segment functions as an anchor for our portfolio, delivering substantial, predictable revenue.

12%
Share of AUM

₹ **7,303** Crore
AUM

MID-MARKET LOAN

Mid-Market Loan, comprising Mid Corporate Loan, Supply Chain Finance and NBFC Loan, primarily caters to corporates and financial institutions through direct client relationships. Backed by direct and other lending relationships, the segment witnessed healthy growth.

15%
Share of AUM

₹ **9,245** Crore
AUM

PRE-OWNED CAR LOAN

The pre-owned car loan segment is focused on calibrated investments and a balanced profitability approach strengthening the foundation for sustainable and scalable expansion. Loans are sourced through Direct Selling Agents (DSAs) as well as Direct Channels, enabling wider customer reach across pan India.

9%
Share of AUM

₹ **5,392** Crore
AUM

PRIME PERSONAL LOAN

Prime Personal Loan is one of our new segments, catering primarily to salaried employees of corporates with a focus on high-credit-quality customer segments. The segment has grown through a combination of digital and physical distribution channels. With a scalable digital-led operating model, the business has transitioned from a linear cost structure to a more efficient framework, enabling growth without a proportional increase in overheads.

8%
Share of AUM

₹ **4,802** Crore
AUM

OUR BUSINESS

GOLD LOAN

This segment primarily serves Tier II and Tier III households through a dedicated branch network, with over 90% of storefronts located in these regional hubs. The product offers a maximum tenure of 36 months and represents the second-largest AUM contributor among our new offerings. These branches operate as highly efficient, localised profit engines, driving substantial long-term franchise value with minimal incremental costs supporting superior operating leverage at scale.

2%
Share of AUM

₹ 1,299 Crore
AUM

CONSUMER DURABLE LOAN

The Consumer Durable Loan segment serves as a high-velocity acquisition engine for Tier II and Tier III households, scaling efficiently by onboarding 12,500+ retail outlets across 248 locations. Powered by a seamless digital journey, enabling over 54,000 average monthly disbursements, the segment acts as an "Anchor Product" for emerging middle-class households.

1%
Share of AUM

₹ 382 Crore
AUM

COMMERCIAL VEHICLE LOAN

The Commercial Vehicle Loan segment is tailored specifically for small fleet operators in Tier II and Tier III cities, with a strategic underwriting focus on the used commercial vehicle market. The product features flexible financing structures upto ₹ 2.5 Crore across 12 to 72-month tenures. The loan is disbursed through a mix of channel partners, direct networks, and seamless digital onboarding.

2%
Share of AUM

₹ 939 Crore
AUM

SHOPKEEPER LOAN

Our Shopkeeper Loan segment serves self-employed individuals and MSME customers, relying entirely on a high-touch direct channel to foster hyper-local business relationships. The product provides crucial working capital with ticket sizes ranging from ₹ 1 Lakh to ₹ 15 Lakh and structured repayment terms of 6 to 48 months, delivering stable yields between 18% and 22%. These direct-to-customer storefronts are positioned to act as scalable merchant-lending engines that secure high-sticky franchise value with low capital friction once fully scaled.

₹ 1 Crore
AUM

EDUCATION LOAN

The Education Loan segment primarily serves students pursuing international undergraduate and postgraduate courses, utilising a robust network of 500+ strategic partners and consultants. The product offers substantial ticket sizes ranging from ₹ 1 Lakh to ₹ 3 Crore with flexible, long-term tenures of up to 15 years. The segment offerings act as a gateway to high-value, long-term customer relationships, positioning us to capture significant lifetime value as students transition into global professionals.

1%
Share of AUM

₹ 876 Crore
AUM

PROFESSIONAL LOAN

Our professional loan segment has an AUM of ₹ 787 Crore, representing 1% of the overall AUM, with a focus on professionals like doctors and Chartered Accountants (CAs). Business is sourced through a diversified network of digital partnerships, DSA-led channels, and direct sourcing.

1%
Share of AUM

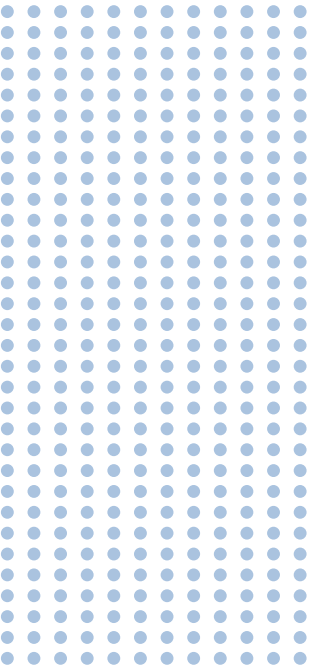
₹ 787 Crore
AUM

MACHINERY AND MEDICAL EQUIPMENT LOAN

Our machinery and medical equipment loan segment has an AUM of ₹ 783 Crore, representing 1% of the overall AUM, with a focus on the SME segment. Business sourcing is driven through DSA-led channels, OEM partnerships, and direct sourcing.

1%
Share of AUM

₹ 783 Crore
AUM



POONAWALLA FINCORP
PRE-OWNED CAR LOAN

INSTA
REPURCHASE

STRAIGHT THROUGH
PROCESS

LOAN UP TO
₹10 LAKH*

DIGITAL PROCESSING

FASTER TAT

NO INCOME PROOF

STRENGTHENING PORTFOLIO PERFORMANCE IN FY26

Omnichannel reach

Leveraged a diversified distribution network across physical and digital platforms through partnerships with leading aggregators including Paisabazaar, super.money, Prefr, Paytm, MobiKwik, Angel One, Cred Buddha, CRED, Buddy Loan, and Bajaj Markets to expand customer access and sourcing capabilities.

AI-powered decisioning

Integrated advanced data analytics and AI/ML-driven models across the application, underwriting, disbursement, and servicing lifecycle to strengthen

operational effectiveness and customer engagement.

Risk-first framework

Strengthened risk management through robust analytics, portfolio monitoring, disciplined governance practices, and a well-defined lending framework to ensure portfolio resilience.

Intelligent data ecosystem

Utilised alternate data sources and account aggregation capabilities to enable sharper risk segmentation, deeper customer insights, and more informed decision-making.

Debt management

AI/ML models and data-driven insights embedded across collections, enhancing efficiency and streamlining processes.

OUR BUSINESS

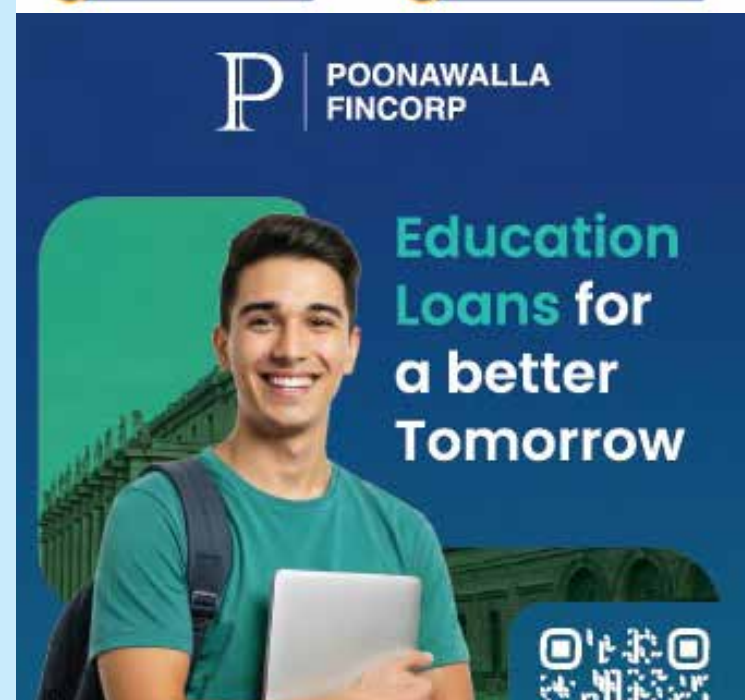


Our Gold Loan for all your needs

POONAWALLA FINCORP GOLD LOAN
TEJ AUR BHAROSEMAND

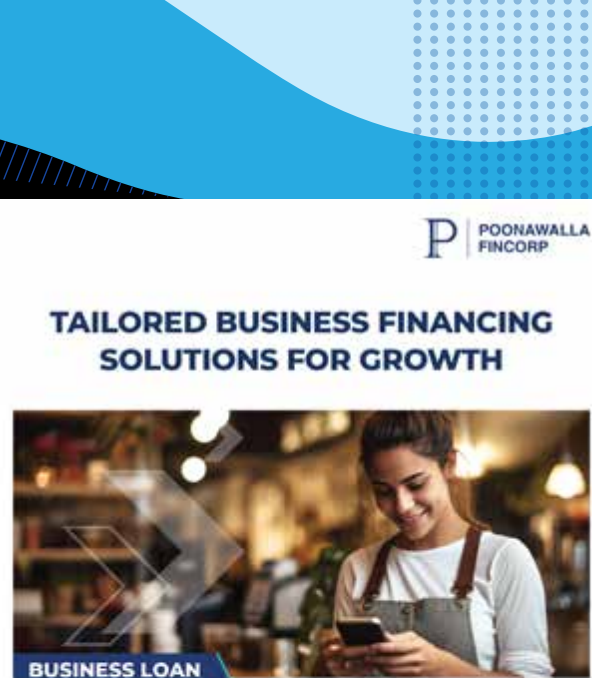
QUICK LOAN DISBURSAL*

MINIMAL DOCUMENTATION*



POONAWALLA
FINCORP

Education Loans for a better Tomorrow



TAILORED BUSINESS FINANCING SOLUTIONS FOR GROWTH

BUSINESS LOAN

Collateral Free Loans Simplified Documentation Digital Process

FEATURES & BENEFITS

- Loan amount starts from ₹ 5 Lakh to ₹ 1 Crore*
- No hidden charges
- Flexible repayment tenure up to 5 years
- Quick Disbursal
- Competitive interest rates

HARNESS THE FULL POTENTIAL
OF YOUR PROPERTY WITH
LOAN AGAINST PROPERTY



Best-suited equipment loan for your business

MEDICAL EQUIPMENT LOAN

- Loan amount up to 10 Cr.
- 100% LTV on loans ≤ 50 lakhs (including GST)
- 90% LTV on loans > 50 lakhs (including GST)
- Flexible tenure up to 84 months

MACHINERY LOAN

- Loan amount up to 10 Cr.
- 100% LTV on loans ≤ 25 lakhs (including GST)
- 85% LTV on loans > 25 lakhs (including GST)
- Flexible tenure up to 72 months

GENSET LOAN

- Loan amount up to 5 Cr.
- Maximum LTV up to 85% (including GST)
- Flexible tenure up to 48 months



ACCESS MORE FUNDS

Interest charged only on utilized amount.

Apply for a Flexi Overdraft
for Chartered Accountants
up to ₹75 Lakh

- Quick Disbursal
- Minimal Documents
- Flexible EMI Tenure



GET INSTANT FUNDS

for your needs and pay interest
only on what you use.

With a Flexi Overdraft Loan
Up to ₹75 Lakh

- Designed for Doctors
- No interest on unused limit
- 11% Starting at 11%* p.a.



STOCK UP YOUR INVENTORY WITHOUT STRESSING ABOUT FUNDS

Get a Personal Loan for working capital needs
up to ₹15 Lakh

- 100% Digital Process
- Easy Application
- Minimal Documents

Empowering customers through scalable credit solutions



Our strong and diversified distribution network has been a key driver of calibrated growth and enhanced productivity. A cost-efficient phygital model, combining extensive physical presence with advanced digital capabilities, has enabled seamless customer access and scalable growth.

AI-backed solutions and robust risk mitigation strategy have further firmed up the credit delivery process, enabling faster decision-making while maintaining a portfolio within defined risk guardrails.

With an expanding footprint of over 500 branches, we have expanded our reach across geographies, enabling deeper financial inclusion and stronger customer connect. Additionally, analytics, ML-driven models, and digitalisation initiatives have enhanced the channel effectiveness, improved operational efficiency, and elevated overall customer experience.

DISTRIBUTION CHANNELS

Powering the credit transformation

We follow a cost-efficient phygital distribution model that enables us to leverage the strengths of both physical and digital channels. This architecture enables efficient customer acquisition and servicing while optimising cost, time and resource deployment, and scaling and diversification of multiple products.

OPTIMISED AND COST-EFFICIENT PHYGITAL DISTRIBUTION ARCHITECTURE

Physical	Digital	Phygital
Key components		
Branches, FOS - Feet on Street, DSAs, call centres	Website, mobile app, social media, digital aggregators, WhatsApp	AI-powered campaigns, integrated customer journeys across channels
Value proposition		
Strong local market connects with deeper distribution reach and enhanced cross-sell opportunities	24x7 accessibility, lower acquisition cost, seamless digital onboarding and engagement	Unified and personalised customer experience, enabling cross-channel engagement, higher conversion, and improved efficiency
Our phygital distribution model enables us to tailor distribution strategies by product, customer segment and geography, optimising cost efficiency and customer experience.		



FY26 PERFORMANCE SNAPSHOT

We delivered strong distribution outcomes aligned with our strategy

- Our Assets under Management (AUM) stood at ₹ 60,348 Crore as on March 31, 2026, growing 69.4% driven by healthy momentum across retail products and well-balanced expansion across both secured and unsecured product segments
- AI initiatives have reached a meaningful scale, with platforms moving into full production and delivering measurable outcomes. This is supported by a strategic shift from point solutions to agentic systems that drive execution, decisioning, and continuous improvement within governed frameworks

400 Gold Loan branches launched in FY26

PHYSICAL DISTRIBUTION

500+ Branches

2,210+ Feet-on-street

6 Call centres

2,700+ Channel partners

DIGITAL DISTRIBUTION

95.8 Million Website traffic (FY26)

10+ Million App downloads (App Rating – ★★★★★)

1.05 Million Social media followers (As of March 31, 2026)

DISTRIBUTION CHANNELS

BRIDGING PHYSICAL REACH WITH DIGITAL CONVENIENCE

Our distribution strategy integrates physical presence with digital capabilities to enable scalable growth and enhance customer experience. Branch expansion is focused on Tier II and Tier III cities, where local presence is critical for building trust and improving access to secured products. Many of these branches operate as multi-product hubs, offering a wide range of financial solutions while enabling deeper customer engagement and cross-sell. The operationalisation

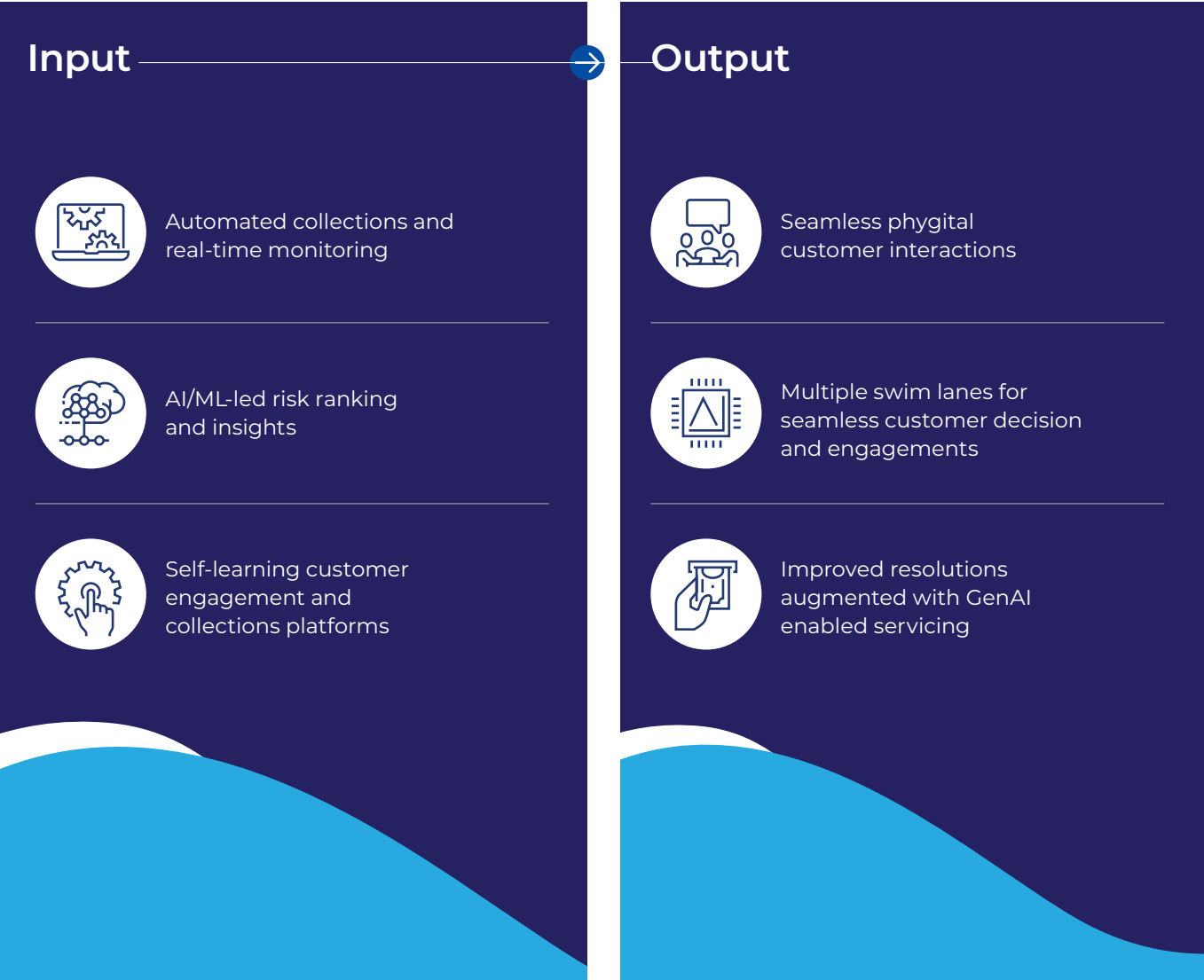
of over 500 branches has further strengthened our on-ground reach.

Digital adoption, on the other hand, continues to scale across products. We aim to scale the share of fully straight-through processing for Prime Personal Loans from 27% to 35-40% over the coming quarters. Our app and website offer seamless onboarding, real-time decision-making and self-service capabilities, supported by intelligent tools that guide

customers towards relevant financial solutions.

Our digital ecosystem is witnessing strong growth, with monthly website traffic hovering at 7.5 Million in March 2026. This approach brings together the reach and trust of physical distribution with the efficiency and agility of digital platforms, creating a scalable and customer focused model that supports sustainable growth and profitability.

Phyigital service excellence



PRODUCT-WISE CHANNEL PERFORMANCE

These products – Prime Personal Loan, Gold Loan, Education Loan, Consumer Durable Loan, Commercial Vehicle Loan, and Shopkeeper Loan - represent recently scaled offerings, reflecting distribution expansion, early traction, and operational execution. All products are supported by a well-integrated phyigital network, ensuring strong customer reach while optimising profitability.

Product	Physical strategy	Rollout progress
Prime Personal Loan	Omni-channel - Physical + Digital distribution	Healthy average monthly disbursement of ₹ ~385 Crore.
Gold Loan	Dedicated Gold Loan Branches	Opened 400 branches spread across Gujarat, Haryana, Rajasthan, Maharashtra, Punjab, Odisha and Karnataka; more than 90% of branches are in Tier II and Tier III locations.
Education Loan	Consultant partnerships	22,000+ files processed by 500+ consultants and partners.
Consumer Durable Loan	Dealer network	Onboarded 12,500+ retail outlets across 248 locations; seamless digital journey has enabled the business to disburse over 54,000 cases in a single month.
Commercial Vehicle Loan	Channel partners/ Direct channel/ Digital onboarding	Disbursements grew substantially in FY26, with Q4FY26 delivering an average monthly run rate of ~₹ 124 Crore.
Shopkeeper Loan	Direct channel	Shopkeeper loan segment unlocks the potential of providing vital working capital to self-employed individuals and MSME business owners through direct channels.

OUTLOOK

We plan to maintain our expansion momentum by expanding to locations across Tier 2 and Tier 3 markets. On the digital front, we aim to scale our fully straight-through processing mix for Prime Personal Loan from 27% to a target of 35-40% over the next few quarters. Management plans to introduce automated digital turnaround times for the business loan segment within the next 6 to 9 months once current product calibrations solidify.

We remain committed to our investment philosophy in tech and collections to further fortify this momentum and strengthen new businesses which are adding considerable value to our measurable metrics across business and risk.

BOARD OF DIRECTORS

Driving performance with purpose

Backed by extensive experience across banking, risk management, governance, and digital transformation, the Board provides strategic direction that fosters sustainable growth, safeguards stakeholder value, and reinforces strong corporate governance practices.

Mr. Adar Cyrus Poonawalla

Chairman

Mr. Poonawalla brings strategic vision and long-term leadership to our inclusive growth journey. He is globally recognised for his contributions to healthcare, innovation, and philanthropy.



Mr. Arvind Kapil

Managing Director and Chief Executive Officer

With over 27 years of experience, including more than 25 years at HDFC Bank, where he last served as Senior Group Head. Known for his prudent risk management, deep distribution expertise, and innovation-led execution, he pioneered instant “10-second” loan approvals. He continues to drive strategy, operational efficiency, strengthen customer-focused strategies, and accelerate AI-led innovation across the lending ecosystem.



ALM RC MC
RMC ITSC

Mr. Sunil Samdani

Executive Director

With over 23 years of experience, having previously served as Executive President and Chief Financial Officer of Bandhan Bank, he has played a pivotal role in driving financial discipline, capital efficiency, and sustainable growth.



SRC CSR RMC ALM
ITSC CSC RC MC

Mr. Vikas Pandey

Executive Director

Mr. Pandey brings over 33 years of experience in retail banking, distribution, and business management. He spent 22 years at HDFC Bank, last serving as Business Head for Auto Loan. He also led major retail lending and liability businesses at HDFC.



SRC CSR RMC ALM
ITSC CSC RC MC

Ms. Sonal Modi

Non-executive Director

With over 40 years of experience at HDFC Limited, Ms. Modi brings extensive expertise in retail lending, credit management, and business expansion. She has played a pivotal role in driving market growth, strengthening sales channels, and expanding branch network capabilities.



CSC ACB NRC SRC CSR
RMC ALM ITSC RC MC

Mr. Prabhakar Dalal

Independent Director

With over 37 years of professional experience and significant international exposure, Mr. Dalal brings deep expertise in financial services, global banking, corporate governance, and securities laws. He spent 31 years with EXIM Bank including more than three years as Executive Director.



NRC SRC ACB CSR MC

BOARD OF DIRECTORS

Mr. Sanjay Kumar

Independent Director

A seasoned banker with over four decades of experience, Mr. Kumar provides strong oversight across audit, ALM and risk frameworks. He brings extensive banking experience spanning branch banking, credit administration, international operations, corporate planning, economic research, AML, and regulatory compliance.

ACB

SRC

RMC

ALM

RC

Ms. Kemisha Soni

Independent Director

A seasoned professional with over 27 years of experience, Ms. Soni currently serves as the Managing Partner of GDK and Associates and brings extensive expertise in accounting, audit, taxation, forensic audit, risk management audit, and corporate laws. Ms. Soni is a strong advocate of social equity and stakeholder empowerment.

CSR

ACB

ITSC

CSC

MC

Mr. Kewal Handa

Independent Director

Mr. Handa brings over four decades of diverse experience across finance, commercial banking, strategy, business development, mergers and acquisitions, corporate affairs, and corporate governance. He previously served as Managing Director of Pfizer Limited and Non-Executive Chairman of Union Bank of India.

ACB

NRC

Mr. Rajeev Sardana

Independent Director

Mr. Sardana brings 39 years of experience spanning housing finance, audit, consumer behaviour, risk management, sales and marketing, real estate, and legal compliance. After a distinguished 38-year tenure with HDFC Limited and HDFC Bank, he is currently advising Greenfinch Global Consulting, a unified lending services company working with banks, HFCs, and NBFCs.

RMC

ITSC

NRC

RC

BOARD COMMITTEES AND GOVERNANCE STRUCTURE

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

Committees and their role and oversight

ACB	Audit Committee	Financial reporting integrity, internal controls
NRC	Nomination and Remuneration Committee	Board succession and remuneration oversight
SRC	Stakeholder Relationship Committee	Investor engagement and shareholder rights
CSR	Corporate Social Responsibility Committee	Community impact
RMC	Risk Management Committee	Enterprise-wide risk management
ALM	Asset Liability Management Committee	Liquidity, funding, and duration mismatches
ITSC	IT Strategy Committee	Oversight of strategy, digital roadmap and data governance
CSC	Customer Service Committee	Customer experience, complaint resolution and digital servicing
RC	Review Committee	Review proposal of the Identification Committee
MC	Management Committee	Execute Board's directions and facilitate operational matters

Chairperson

 |

Member

THE BOARD'S COLLECTIVE EXPERTISE IS ANCHORED IN SIX CORE CAPABILITIES

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graph TD; A[Market understanding] --- B[Strategy and strategic planning]; B --- C[Critical and innovative thoughts]; C --- D[Risk compliance oversight]; D --- E[Financial understanding]; E --- F[Understanding of business/industry]; F --- A;
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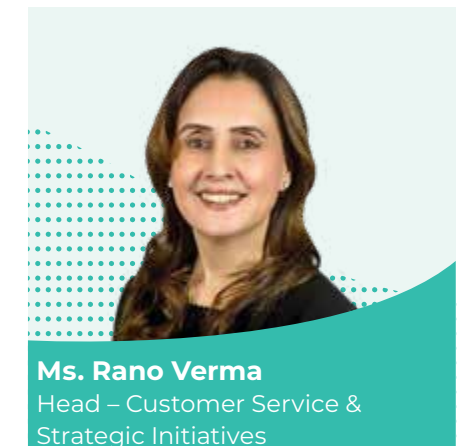
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MANAGEMENT TEAM

Leadership empowering sustainable progress

Our leadership team brings a blend of strategic foresight and strong execution capabilities, setting the strategic direction, shaping our culture, and strengthening our governance framework. Guided by integrity and accountability, they continue to foster a high-performing and inclusive organisation built on trust, resilience, and long-term value creation. Our leadership team brings deep expertise and a clear strategic focus on technology-led growth, asset quality, and operational excellence.



MESSAGE FROM THE CHAIRMAN

Building a future-ready financial institution

**DEAR STAKEHOLDERS,**

I am pleased to present the Annual Report of Poonawalla Fincorp Limited for FY26 - a year in which our strategic intent began translating into visible, measurable and encouraging outcomes.

After a year of deliberate strengthening and organisational reset, FY26 was all about disciplined expansion. We strengthened our operating model, expanded our lending franchise, deepened our digital and analytics capabilities, and continued to build an institution that is sustainable, predictable and productive.

This year reaffirms that Poonawalla Fincorp is not merely growing; it is maturing into a structurally stronger and future-ready financial institution. Our margins are improving as a richer product mix lifts disbursement yields, and the operating leverage we have invested in over time is now visibly translating into efficiencies across both fixed and variable costs. Equally important, calibrated credit underwriting and disciplined collections have strengthened the quality of our book. As our portfolio seasons, the data is giving us genuine conviction in the solidity and durability of what we have built.

At the heart of this progress is the PFL team. Across business and central functions, our people have demonstrated exceptional commitment, agility and ownership. I would also like to acknowledge Arvind's leadership in steering this transformation with clarity, discipline and purpose. His focus on building a risk-first, digital-first and execution-led organisation has strengthened our operating rhythm and sharpened its growth agenda. The progress we report this year is a direct outcome of this collective focus, energy and belief in our long-term vision.

INDIA'S RESILIENCE AMID GLOBAL UNCERTAINTY

FY26 unfolded against a complex global backdrop. Geopolitical tensions in West Asia disrupted supply chains and led to elevated crude oil prices, while trade disputes and tariff barriers added further pressure across several economies. Despite these headwinds, the global economy demonstrated resilience, stabilising with growth of 3.4% in 2025.

India, however, continued to stand out for its resilience and structural strength. The economy grew at 7.7%, supported by rapid digitalisation, sustained consumption and progressive policy reforms. Strong domestic demand, macroeconomic stability and favourable policy measures helped reinforce India's growth trajectory. Private Final Consumption Expenditure rose to a decade-high 61.5% of GDP, aided by income tax rationalisation and GST reforms.

During the year, headline inflation moderated significantly from 3.2% in April 2025 to 0.3% in October 2025. In response, the Reserve Bank of India reduced the repo rate from 6.5% to 5.25% through a series of calibrated rate cuts, supporting liquidity, credit growth and broader economic activity.

Looking ahead, the World Bank estimates India's growth at 6.6% in FY27 and 7.2% in FY28. This supportive macroeconomic environment is expected to drive sustained credit demand and create meaningful opportunities across the financial services sector.

FROM TRANSFORMATION TO DISCIPLINED EXPANSION

Throughout this journey, our focus has remained consistent: improving operating leverage, enhancing productivity, strengthening risk discipline and building a model of sustainable profitability. The continued strength of our fundamentals is reflected in our AAA/Stable credit rating, reinforcing confidence in our strategic direction and execution discipline.

During the year, we expanded our lending franchise, strengthened our technology capabilities and advanced towards building a more scalable and resilient business model. The expansion of new business segments has diversified our portfolio and sharpened our market positioning. We have also deepened our presence across Tier II and Tier III markets, improving access and expanding our reach across high-growth geographies.

Guided by a clear understanding of evolving customer needs, we broadened our geographic footprint while progressing steadily towards our ambition of becoming a leading technology-led financial institution.

"Investments in digital innovation, analytics and operational efficiency enabled faster, more seamless and more customer-centric service delivery."

These strategic interventions translated into strong financial and operating outcomes during the year. Our AUM increased by 69.4% Y-o-Y to ₹ 60,348 Crore, while Net Interest Income grew by 49% to ₹ 4,029 Crore. Profit After Tax stood at ₹ 542 Crore.

Importantly, this growth has been backed by a robust risk management framework. Disciplined credit underwriting, stronger portfolio monitoring and effective collection governance have contributed to improved asset quality and reinforced the resilience of our balance sheet.

BUILDING FOR THE NEXT DECADE

What gives me the greatest confidence is not this year's numbers alone, but the foundation beneath them. We are building a company that is risk-first in its instincts, digital-first in its architecture and increasingly AI-led in its decision-making.

Our digital backbone is enabling us to scale with speed, precision

and consistency. Our investments in AI and advanced analytics are sharpening underwriting, collections, customer engagement, capital efficiency and operating productivity. Together, these capabilities are helping us build a smarter, more agile and more responsive organisation.

As we enter FY27, our focus is firmly on scaling with discipline. We will continue to deepen customer relationships, invest in talent and capability building, and further strengthen our digital infrastructure. AI-led insights will play an increasingly important role in improving decision-making, enhancing customer experience and driving efficiency across the organisation.

Our ambition is clear: to build a leading technology-driven NBFC, underpinned by strong governance, sound risk discipline and superior customer engagement. With FY25 as our baseline, we remain committed to our aspiration of scaling our AUM by 5-6x over the next five years, guided by disciplined execution and a calibrated approach to growth.

I extend my sincere appreciation to the entire PFL team for their dedication, ownership and relentless focus on execution. Their efforts have strengthened the institution and brought us closer to our long-term aspiration. I also thank our customers, partners, banks, regulators, shareholders and all stakeholders for their continued trust and support.

With strong fundamentals, strategic clarity and a future-ready operating model, Poonawalla Fincorp is well placed to capitalise on emerging opportunities and deliver sustained value creation.

Warm regards,

Adar Cyrus Poonawalla

Chairman
Poonawalla Fincorp Limited

MESSAGE FROM THE MANAGING
DIRECTOR AND CHIEF EXECUTIVE OFFICER

Anchored in governance, accelerating growth

DEAR STAKEHOLDERS,

It gives me immense pride to present Poonawalla Fincorp's performance for FY26.

FY26 was the year in which our strategy moved from foundation to momentum. We entered the year with a clear agenda: to build an institution that can scale with discipline, govern with rigour and deliver profitable growth through cycles. Deliberate investments in distribution, digital journeys, credit architecture, collections, AI and talent have strengthened our execution engine and made us more agile, diversified and future-ready.

**STRONG FOUNDATIONS.
STRONGER OUTCOMES.**

FY26 was a year of disciplined, risk-calibrated scaling. Our AUM expanded to ₹ 60,348 Crore, with newly launched products now contributing 14% of the mix. This is diversification by design, because a broad-based portfolio is inherently more resilient through cycles. Our governance-first, risk-first approach continues to deliver structural strength, with Gross NPA improving to 1.44%, Net NPA to 0.74% and asset performance stabilising at a best-in-class 6MoB30+ of 1.05%.

Pre-Provision Operating Profit grew 36% Y-o-Y to ₹ 1,934 Crore in FY26, and the Opex-to-Average AUM ratio improved to 4.13% in the fourth quarter.

A ₹ 2,500-Crore QIP took our CRAR to a healthy 20.74%, and with Profit After Tax at ₹ 542 Crore and Return on Assets at 1.16%, we are well-positioned to sustain this momentum.

**THREE VECTORS OF
TRANSFORMATION**

Over the past two years, we have systematically transformed the institutionalised knowledge of our management into the institutionalised muscle memory of our organisation. This has been achieved by building substantial processes and systems that no longer depend on individuals but are embedded in how we operate. During this period, we launched six to seven new businesses, each of which has demonstrated a successful growth trajectory.

I would summarise our progress along three vectors.

The first is the conversion of the management's institutionalised knowledge into the institutional muscle memory of our Company, ensuring that our capabilities are durable and repeatable.

The second is the deliberate construction of our portfolio. We selected these six new businesses to ensure that each line carries a distinct credit cycle. Gold, for instance, responds to economic conditions very differently from consumer durables, which are tied more closely to discretionary spending. Salary-linked products track the job market, business loans are connected to the health of the SME sector, and commercial vehicles move with the freight and infrastructure cycle of the country. Because every product carries its own distinct economic and credit cycle, this diversification has added meaningful structural strength to our portfolio quality, both in how we have constructed our incremental businesses and in the calibration of our existing ones.

The third is artificial intelligence. We have built a genuine AI engine, and a growing number of AI agents will add immense value alongside the human capital we have invested in. More fundamentally, AI compounds. Data from our twelve to thirteen businesses feeds our AI and analytics, which generate proprietary data that flows back into our models and new products, creating a self-reinforcing flywheel. As our cohorts grow richer, we identify finer sub-segments and design better-customised products, sharpening cross-sell and improving operating leverage even on variable costs.

These vectors are not a description of the past; they are the strategy that runs through everything that follows, from how we build and price products to how we underwrite, collect and serve.

**A SUPPORTIVE ECOSYSTEM
FOR GROWTH**

The Union Budget 2026 reinforces India's growth momentum with a capital expenditure outlay of ₹ 12.2 Lakh Crore, setting in motion a strong multiplier effect across sectors. For a franchise like ours, a growing and increasingly formalised economy means deeper demand for credit across consumers and enterprises - demand we are positioning ourselves to serve responsibly and at scale.

Following 18% growth in FY25, the NBFC retail sector is moving to a more sustainable 17-19% in FY26, with 16-18% expected in FY27. We see this normalisation as healthy: it rewards lenders who combine speed with discipline and widens access to credit.

**A DUAL-ENGINE
STRATEGY AT PLAY**

"Our investments are building a durable and profitable moat for the future. We remain firmly committed to our dual-engine strategy - driving scalable, sustainable and high-quality growth."

Our dual-engine strategy is how these vectors become execution. The first engine, operational excellence, brings together our muscle memory and our AI. We invest across our technology stack, collections infrastructure and execution capabilities, because execution is what separates a good lender from a great one. AI embedded in our operating fabric is changing how we underwrite, acquire and serve, sharpening risk selection and decisions from sourcing to collections. During the year, we implemented 42 of 76 identified solutions, spanning credit and underwriting, collections, customer service, audit and compliance, in every case pairing the speed of AI with the judgement and empathy of our people.

The second engine scales our franchise across high-growth segments, each chosen for its distinct credit cycle. Consumer durables are a strategic acquisition gateway for long-term,

cross-serve relationships, while our growing gold loan franchise adds balance to our secured book. What sets us apart is pairing technology-led underwriting with deep, segment-specific expertise, letting us scale with discipline and deliver superior risk-adjusted growth.

**NEW SEGMENTS GAIN
MOMENTUM**

Our newer segments - Prime Personal Loan, Gold Loan, Consumer Durable Loan, Commercial Vehicle Loan, Education Loan - are fast emerging as key growth engines, with momentum especially visible in the fourth quarter. Gold Loan disbursements reached a monthly run rate of ₹ 273 Crore in Q4 FY26, peaking at ₹ 335 Crore in March 2026, while Prime Personal Loan recorded average monthly disbursements of ₹ 440 Crore during Q4 FY26. Commercial Vehicle annual disbursement stood at ₹ 1,000 Crore, and our education loan book crossed approximately ₹ 900 Crore, helping young Indians pursue their higher-education aspirations. New products contributed 24% of incremental disbursements in Q4 FY26, a clear signal of product-market fit. Digital momentum built too, with 27% of Prime Personal Loan disbursements now fully automated, lifting productivity and decision precision while we hold firmly to our risk standards.

**BUILDING A FUTURE-READY
ORGANISATION**

Technology drives scale, but our people determine outcomes. We have brought together seasoned leadership and deep domain experts across every function, nurturing a culture of high performance, and this year we extended the same intelligence-led approach internally, embedding AI across the employee lifecycle while keeping our people's well-being a central priority.

**GOVERNANCE AS THE
FOUNDATION**

Governance is the foundation on which we are building everything else, and it becomes only more important as we scale our adoption of AI. Every AI initiative operates within our Seven-Sutra Governance Framework and established model risk management processes, ensuring that as we move faster, we continue to uphold the

highest standards of compliance, ethical conduct, transparency and accountability. For us, responsible innovation is what makes our growth durable.

FOSTERING INCLUSIVE GROWTH

We firmly believe that growth must be responsible, inclusive and sustainable. Our Platinum-certified green corporate office now operates entirely on renewable energy, and through partnerships in healthcare, education, skill development, women's empowerment and livelihood enhancement, we direct our efforts to where they make a real and lasting difference. Inclusive growth is a natural extension of the institution we are building.

**ADVANCING TO DISCIPLINED
GROWTH**

Our priorities are clear: to scale with discipline, consistency and quality. We are targeting 35-40% AUM growth over the near term, in line with our ambition to grow five to six times over five years. From here, we will keep expanding our geographic presence, deepening customer engagement and strengthening the technology backbone behind it all, while building a diversified, high-quality portfolio anchored in profitability and prudent risk.

This strategy is already showing in the numbers that matter most. Margins are improving as a better product mix lifts disbursement yields, and operating leverage is now kicking in across our cost base. Sharper credit calibration and stronger collections are building real solidity into the book, and as seasoned data comes through, the insights are highly encouraging and underscore the portfolio's underlying strength. This is the three-pronged strategy compounding as designed.

These foundations, now bearing out in the data, position us for what I believe may be our strongest growth yet. Thank you for your continued confidence in our vision. We remain committed to creating long-term, predictable and sustainable value for every stakeholder we serve.

Best regards,

Arvind Kapil
Managing Director and CEO
Poonawalla Fincorp Limited

KEY PERFORMANCE INDICATORS

Defined by strategy, designed for sustainability

Our performance in FY26 reflects the strength of our business model, disciplined execution, and prudent risk management. Sustained growth across key financial and operational metrics demonstrates our ability to expand responsibly while maintaining portfolio quality, capital strength, and profitability.

Assets under Management (₹ Crore)



AUM recorded a robust 69.4% Y-o-Y growth in FY26, demonstrating healthy momentum in high-quality business expansion. The growth was supported by disciplined sourcing across secured and unsecured portfolios, alongside strong execution through integrated phygital channels and seamless digital journeys. This performance reflects our focus on scalable growth while maintaining prudent asset quality.

Net Interest Income (NII) (₹ Crore)



Net Interest Income (NII), including fee and other income, reached ₹ 4,029 Crore, driven by a robust AUM growth and business mix.

Gross NPA (%)



The GNPA ratio stood at a healthy 1.44% as of March 31, 2026, much lower compared to March 31, 2025. It has been achieved through enhancements in the underwriting model and strengthening of the collection infrastructure. These corrective measures have led to improvements in monthly bounce and flow metrics, along with a significant reduction in slippages.

Net NPA (%)



The NNPA ratio remained healthy at 0.74% as of March 31, 2026, in comparison to March 31, 2025, in line with the reduction in the GNPA ratio.

Profit/Loss After Tax* (₹ Crore)



Profit after Tax for FY26 stood at ₹ 542 Crore, compared to a loss of ₹ 98 Crore in FY25. The improvement in profitability was supported by reduced credit costs, underpinned by portfolio recalibration, better quality of new sourcing, and enhanced operating leverage.

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



PPOP stood at ₹ 1,934 Crore in FY26, after accounting for the operating expenses and investments in new product segments and collections infrastructure.

Cost of Borrowing (%)



Reduction in cost of borrowing along with enhanced diversification.

Return on Assets (ROA)* (%)



Return on Assets (ROA) improved to 1.16% in FY26 from (0.35%) in FY25. The metric continued its upward trajectory throughout the year, reflecting sustained profitability momentum and strengthening business fundamentals.

Shareholders' Fund# (₹ Crore)



Shareholders' funds remained strong at ₹ 10,298 Crore, supported by a healthy CRAR of 16.83%.

#Net of treasury shares and trust reserve of ₹ 260 Crore and ₹ 255 Crore for FY26 and FY25, respectively.

Capital Adequacy Ratio (%)



The CRAR remained comfortably above regulatory requirements, providing sufficient headroom to support future growth and business expansion. Following the successful ₹ 2,500 Crore capital raise through QIP, simulated Capital Adequacy Ratio is 20.74% basis March 2026 balance sheet, providing enough headroom for future AUM growth.

*All financial figures presented herein reflect FY26 results and are based on standalone financial statements

OPERATING CONTEXT

Agile, adaptable and responsive to change

In a constantly evolving business environment, agility and adaptability remain central to our approach. We align our strategies, structures, and operations to respond effectively to changing market dynamics and customer expectations. We see change as an opportunity, not as a challenge, and remain focused on creating long-term value, strengthening customer relationships and delivering sustainable growth.

India's economy

INDUSTRY LANDSCAPE

India's economy showed strong resilience in FY26 on the back of robust domestic demand, high government capital expenditure, and stable macroeconomic fundamentals. GDP growth improved to 7.7% in FY26 from 7.1% in FY25, aided by lower inflation, supportive fiscal measures, and accommodative monetary policies. Inflation cooled off to 1.8% during the year, creating room for monetary easing. In response, the RBI reduced the repo rate by a cumulative 100 bps, bringing it down to 5.25% by December 31, 2025 by a series of rate cuts. The stable interest rate environment, along with ongoing fiscal consolidation, further supported credit growth, borrowing, and overall economic activity.

7.7%
GDP growth rate

STRATEGIC ACTIONS

We undertook the following strategic actions to capitalise on the favourable economic environment

- New business segments continued to witness strong traction, with Prime Personal Loan disbursements reaching ₹ 460 Crore in March 2026, alongside robust growth in the Gold Loan portfolio
- We strengthened our strategic partnerships during the year to expand customer reach and drive growth across business segments
- We accelerated the adoption of analytics, digitalisation, and advanced technologies across key operational centres, enabling faster turnaround times, seamless customer experiences, and greater operational efficiency through reduced manual intervention
- Loan Against Property (LAP), Business Loan, and Mid-Market Loan, delivered healthy growth, supported by improving investment sentiment and increased economic activity

BUSINESS IMPACT

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

Sectoral pattern

INDUSTRY LANDSCAPE

The Assets Under Management (AUM) of Non-Banking Financial Companies (NBFCs) are expected to grow steadily at 16-19% during FY26 and FY27, surpassing the previous year's growth trajectory. Supported by rising consumption and improving credit demand, the sector's AUM is projected to cross ₹ 30 Lakh Crore by March 2027.

Key segments such as Home Loan and Vehicle Loan, which together account for nearly 45% of total AUM, are expected to remain resilient and drive growth. Over the years, NBFCs have played a significant role in expanding India's retail lending ecosystem, strengthening their presence across personal and mortgage lending markets.

₹ 30 Lakh Crore
Projected AUM for NBFCs by
March 31, 2027

Source: CRISIL

STRATEGIC ACTIONS

Different products have been launched to meet the growing needs:

- Commercial Vehicle Loan segment was introduced for small fleet operators across Tier II and Tier III cities, offering a wide range of ticket sizes and supported by multiple distribution channels to drive disbursement growth
- Pre-owned Car Loan expanded through strong DSA and dealer network partnerships, enabling wider customer reach and efficient sourcing.
- Gold Loan operations were expanded across multiple cities through a network of over 400 branches, enhancing accessibility and market penetration
- Consumer Durable Loans were introduced primarily for households and are being disbursed through our dealer network

BUSINESS IMPACT

Strong phygital distribution channels enabled scalable, cost-efficient customer reach while supporting opportunity-led and risk-calibrated growth.

OPERATING CONTEXT

Regulatory landscape

INDUSTRY LANDSCAPE

The regulatory environment for the financial sector continued to evolve during the year, with several key changes introduced:

- The RBI rationalised the Master Directions governing the NBFC sector by restructuring the Scale-Based Regulatory framework into multiple directions, providing greater clarity on areas such as concentration risk, capital adequacy, credit risk, financial statement disclosures, fair practices, and the treatment of wilful defaulters, while broadly retaining the essence of the earlier regulations
- Borrower-centric regulations prohibited the levy of prepayment charges on eligible floating-rate loans
- The regulatory framework for anti-money laundering (AML) compliance and oversight of digital payment intermediaries was further strengthened
- The introduction of new guidelines for lending against gold and silver jewellery has brought this widely used lending segment under a more structured and comprehensive regulatory framework

STRATEGIC ACTIONS

- Implemented AI/ML models for predictive risk modelling and credit scoring
- Introduced AI-based tools for regulatory scanning, recommendations, and governance automation
- Collaborated with ServiceNow to deploy Generative AI solutions for audit and governance functions
- Strengthened underwriting through AI-powered automation and standardised data interpretation tools

- Leveraged AI-driven platforms such as DartGenie and BuildBuddy to enhance reporting, development efficiency, and deployment speed

BUSINESS IMPACT

Our investments in AI and automation have strengthened customer-centricity and enhanced operational efficiency. These capabilities enable us to respond more swiftly to evolving market needs, reinforce proactive risk management, and scale our business efficiently without a corresponding increase in costs or operational complexity.

KEY AI DEPLOYMENTS

ServiceNow

GenAI solutions for audit and governance

BuildBuddy

AI engineering assistant

Technological advancements

INDUSTRY LANDSCAPE

Technology ecosystems are evolving rapidly, making it essential for organisations to adapt and innovate. Advancements in AI, machine learning, and digital technologies are transforming operations across the value chain, enabling faster decision-making, smoother processes, lower operational costs, and improved efficiency. The increasing adoption of intelligent automation and advanced analytics is helping businesses enhance customer experience, strengthen risk management, and drive scalable growth in a dynamic environment. Technology and AI remain key enablers in driving scalable growth, operational efficiency, and risk-adjusted performance.

STRATEGIC ACTIONS

We undertook the following strategic initiatives to strengthen our internal capabilities and external engagement:

- Advanced technologies, AI, and digitalisation have been integrated across HR, administration, risk management, and product management functions
- Deepened our digital-first approaching model
- GenAI and AI-led models are being leveraged to improve operational efficiency and decision-making, such as BL Buddy, Gen AI Voice Bot and LAP Assistant
- Young talent with strong digital and technology capabilities has been on-boarded to drive innovation and manage evolving AI models and systems. Technology adoption is helping enhance process efficiency, scalability, and customer experience

BUSINESS IMPACT

Our investments in AI and automation are enhancing customer experience and operational effectiveness. These capabilities enable faster response to evolving market needs, strengthen proactive risk management, and support scalable growth with greater efficiency and controlled operational complexity.

CAPABILITY HIGHLIGHTS

250+

Technology professionals across Data, Application Engineering, Infrastructure and IT Governance

5,000+

Analytics: Features Analysed

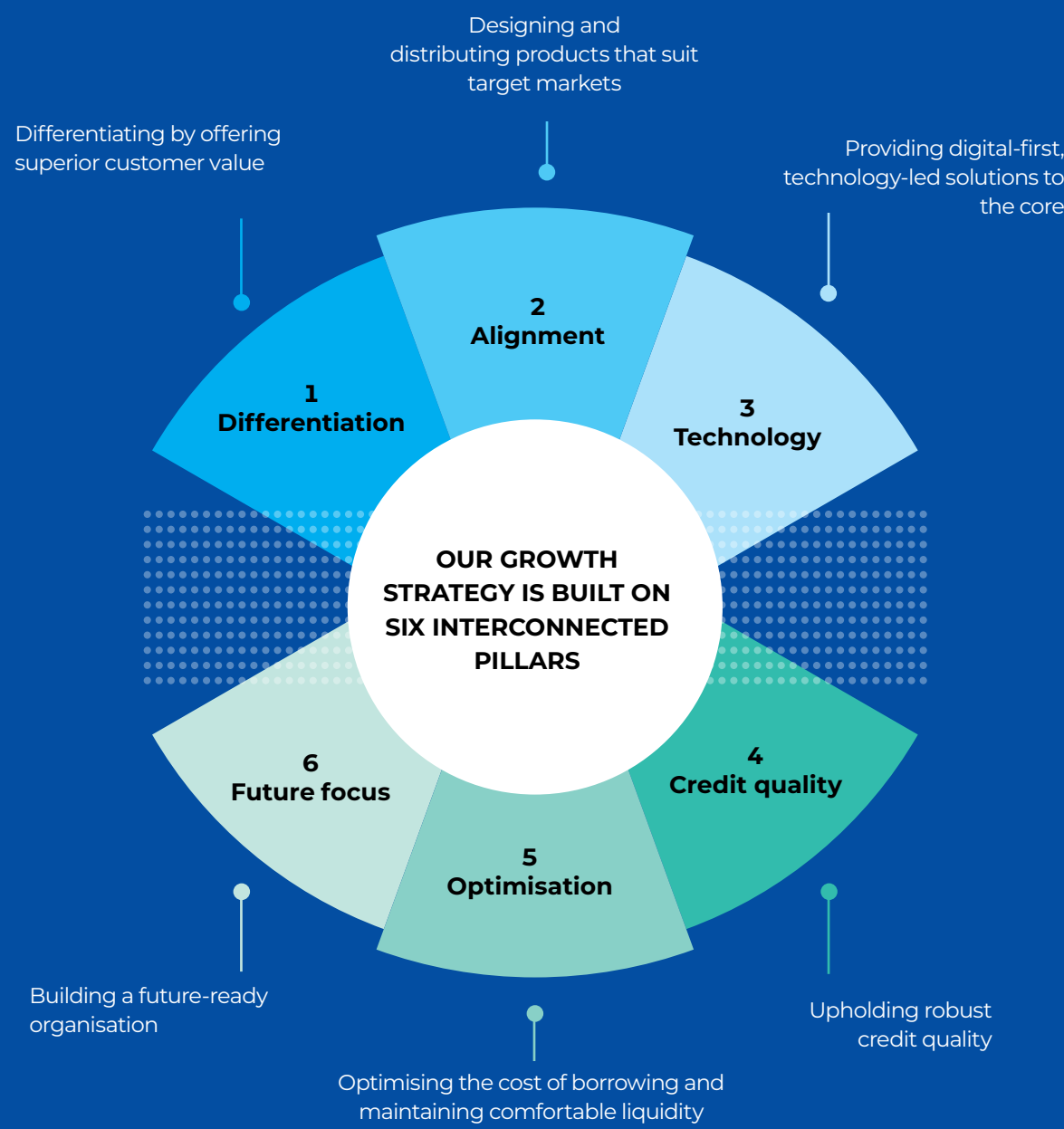
50+

AI, LLM and data analytics professionals

OUR STRATEGY

Shaping a resilient operating model

We draw up the business blueprint with attention to customer-centricity, risk management, technology capabilities and regulatory compliance. The strategy ensures a responsive and resilient financial structure that addresses the needs of our clients while remaining adaptable to the evolving market conditions.



These pillars together create a resilient operating model capable of delivering **predictable performance** and **sustainable value** across business cycles.



Differentiated by higher customer value

In FY26, Poonawalla Fincorp implemented a holistic customer engagement strategy focused on personalising services and products to better meet customer expectations.

This approach helps drive higher cross-sell opportunities and deeper customer relationships. Ease of access is enhanced through a dedicated customer portal available on both the website and the mobile app. Quick query resolution and sales support are ensured by AI-enabled WhatsApp and web chatbots, while customer-centric rewards and referral programmes have been activated that further strengthen engagement and loyalty.

IMPACT AND PERFORMANCE HIGHLIGHTS

Digital-first lending flow

We have strengthened our digital capabilities across core loan offerings, spanning the entire lifecycle - from disbursal to servicing. In FY26, around 27% of Prime Personal Loan disbursements were processed through a fully straight-through digital processing in FY26.

Sustained customer connect

We have developed sustained engagement across the entire customer lifecycle by fostering deeper relationships, building trust, and achieving long-term loyalty. We have a customer service

bot that can resolve 80-85% of interactions, and we are expecting to reach that within the next two quarters.

Digital platforms

BuildBuddy, our AI engineering copilot, enabled our IT teams to deliver six product segments. We have developed and enhanced digital platforms to ensure round-the-clock customer service accessibility, including higher internal productivity.

Distribution model

We enhanced the distribution framework to broaden our customer reach, integrating both digital and physical channels to ensure wider market penetration. We have achieved multiple milestones in the distribution function.

Technology advancement

We used digitalisation and advanced analytics to predict and customise the solutions for clients.

OUR APPROACH

Customised solutions

We leverage advanced analytics to tailor offerings to the unique needs of each customer. We use predictive analytics for assessing customer needs.

High-scalability tech platform

We are committed to technology investments that enable scalable growth and improve the quality and efficiency of service delivery.

Platform-based distribution model

We have expanded our market reach through digital channels while retaining a physical presence in key areas where required, ensuring balanced and inclusive coverage. The app has been downloaded over 10 Million times.

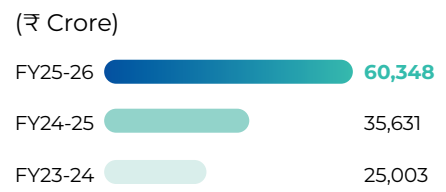
Frictionless credit delivery

Reducing lending friction through progressive policy frameworks and advanced technological enhancements helped us optimise document parsing and validation to assist credit teams in decision workflows.

Trust and transparency

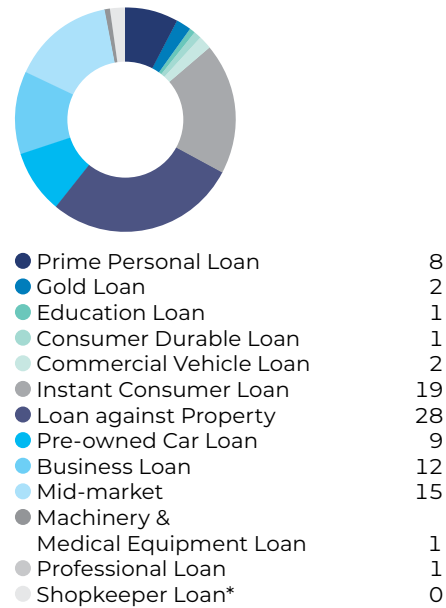
We are complying with all the regulations and standards as required by the government to ensure the maintenance of customer trust. We collaborated with ServiceNow to deploy Generative AI solutions for audit and governance.

Asset under Management



- AUM as on March 31, 2026 stood at ₹ 60,348 Crore
- Grew over five-fold since Q4FY22 in more than four years (₹ 60,348 Crore Vs. ₹ 11,765 Crore AUM)

Product-wise AUM contribution (%) (as of March 31, 2026)



*Share of shopkeeper loan is less than 1%

OUR STRATEGY



Aligned business to suit target markets

In FY26, we strengthened our strategy through proper distribution execution and product innovation, closely aligned with evolving customer needs. We operate multiple distribution channels tailored to customer requirements and ensure alignment with product characteristics. Based on target markets, appropriate channels are selected for seamless product availability. A combination of physical, digital, and phygital channels enhances overall effectiveness by improving reach and engagement.

IMPACT AND PERFORMANCE HIGHLIGHTS

- Improved conversion rates across digital channels through robust underwriting frameworks and dynamically designed customer journey; Prime Personal Loan has scaled digitally, moving beyond a linear cost model to grow AUM without a corresponding increase in overheads
- Our gold loan branch network has expanded with 400 outlets launched. More than 90% of the branches are in Tier II and Tier III markets
- Seamless digital journey has enabled us to disburse over 54,000 cases in a single month in the Consumer Durable Loan segment; in the CV segment, we closed FY26 with ~₹ 1,000 Crore of disbursements
- All core business segments continue to drive strong growth, supported by healthy customer

retention and improved cross-sell ratios, driven by lifecycle-based marketing and behavioural segmentation

OUR APPROACH

- Strengthening partnerships with digital platforms, fintechs, and aggregators, while refreshing the mobile application interface for faster, frictionless journeys, thereby enhancing reach, volumes, and overall customer experience
- Sustained a strong focus on Customer Lifetime Value (CLTV), leveraging data-driven insights

Channel type	Description	Strategic benefits
Physical Channel	Leveraged in-house sourcing through branches and call centres to drive direct engagement and higher conversions. We have over 500 branches, 6 call centres and more than 2,700 channel partners.	Enabled upselling of larger ticket sizes through personalised interactions, improving customer value.
Digital Channel	In-house digital sourcing through web, app, social, and third-party integrations to accelerate growth and enhance customer acquisition efficiency. We have an app with 10 Million+ downloads and social media with 1.05 Million followers.	Supported agile market rollouts while reducing sourcing costs and improving overall scalability.
Digital Ecosystem	Tie-ups and alliances with digital platforms and fintechs to strengthen lead generation and expand acquisition reach.	Improved conversion efficiency and risk-adjusted profitability through better-quality sourcing and targeted partnerships.

BALANCING SECURED AND UNSECURED PRODUCTS

We maintain a balanced secured and unsecured product mix, ensuring diversification, risk optimisation, and sustainable portfolio growth.

- Prime Personal loan
- Gold Loan
- Education Loan
- Consumer Durable Loan
- Commercial Vehicle Loan

to drive richer cross-sell and retention strategies across the customer lifecycle

- Maintained a technology-first approach across onboarding, underwriting, and servicing, underpinned by robust risk analytics, enabling efficient and secure operations
- Introduced intelligent nudges and enhanced customer engagement journeys to improve activation, usage, and deeper participation across the entire lifecycle

- Shopkeeper Loan
- Instant Consumer Loan
- Loan Against Property (LAP)
- Pre-owned Car Loan
- Business Loan
- Mid-Market Loan*
- Machinery and Medical Equipment Loan
- Professional Loan

*Mid Market includes Supply Chain Finance and NBFC loan



Digital-first business, tech-led at core

Technology advancement is a key priority for us. As a digital-first company, we must remain technologically advanced to maintain a competitive edge over peers. A technology-driven approach enables us to deliver solutions that are more accessible, user-friendly, and faster for clients. We leverage digitalisation and analytics to minimise errors and strengthen governance across processes, ensuring greater accuracy and control.

Our digital strategy was anchored to three core pillars that form the foundation of a future-ready lending ecosystem:

- Delivering best-in-class customer experience across all touchpoints
- Enhancing operational efficiency through technology-driven processes
- Enabling innovation through a robust backend infrastructure and scalable lending systems

OUR APPROACH

We have significantly enhanced our technology infrastructure to support high-volume, real-time lending by embedding intelligence, security, and automation across the entire business lifecycle. This deep investment in technology enables scalable operations, improved efficiency, and a seamless customer experience.

Core capability	Focus area
Microservices	Flexible, scalable technology architecture enabling rapid and agile deployment.
Cloud	Cloud-native applications designed to deliver greater flexibility, scalability, and seamless accessibility while supporting business growth.
API Factory	Modular API stack enabling seamless integration with partners, platforms, and regulatory systems.
Information Security	Robust enterprise cybersecurity framework with multi-layered defence mechanisms to protect against evolving threats.

IMPACT AND PERFORMANCE HIGHLIGHTS

- Expanded sales process digitisation with enhanced lead tracking and workflow automation, while strengthening the API backbone to support embedded finance partnerships and seamless ecosystem integrations
- Deployed advanced AI/ML-driven credit decisioning tools and behavioural scorecards to improve underwriting accuracy, supported by enhanced robotic process automation (RPA) across underwriting, collections, and compliance functions
- Upgraded the IT Command Centre for real-time monitoring of digital operations and service uptime, ensuring higher reliability and operational visibility

- Launched AI Content Factory, combining prompt engineering and creative design to deliver a 12-fold surge in content output, significant cost savings, and scalable multi-segment campaigns
- Implemented a data lake house architecture to enable real-time analytics and strengthen business intelligence capabilities across the organisation
- AI/ML models drive 18% of our AUM through digital credit lanes, leveraging data scale and velocity for advanced, early-stage risk detection and structuring
- Our website saw a 47% improvement in keyword rankings leading to a 51% improvement in share of voice; we maintain strong organic performance, drawing approximately 7.5 Million visits in March 2026 alone



OUR STRATEGY

Stakeholder group	Key benefits
Organisation	- Improved productivity, reduced costs, and faster turnaround times - Enabled 24x7 digital monitoring and proactive issue resolution - Established scalable infrastructure to support growth
Customer	- Enabled seamless, contactless customer journeys across web, app, WhatsApp, and call centres - Delivered digital onboarding with real-time approvals and instant disbursals
Partners	Integrated CRM, system-driven payouts, and custom risk filters

OUTCOMES

Building customer & partner trust

- Streamlined partner onboarding through automated workflows and fully paperless submission processes
- Fostered deeper partner relationships and scaled product footprint while enhancing operational simplicity, driving sustainable growth and a superior customer experience
- Built a future-ready, digitally enabled, and collaborative channel ecosystem, strengthening the foundation for sustained, partner-led scalable growth
- Deployed advanced propensity models for targeted upsell and pre-approved offers, improving conversion efficiency

Fully digitised lending lifecycle

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

Advanced data analytics

- Leveraged an enhanced data pool and analytics platform to enable real-time segmentation, lead scoring, and risk profiling
- Implemented predictive models for delinquency and early warning signals, strengthening risk-adjusted returns
- Introduced collection effectiveness scorecards, contributing to improved performance and collection efficiency

42

AI Solutions delivered

AI TOOLS

- DartGenie**
Enables teams to create and generate reports using natural language inputs
- BuildBuddy**
Integrates AI tools with existing toolkits to enhance development efficiency and accelerate deployment



Upholding a robust credit quality

As we scale our offerings and widen our customer base, preserving strong credit quality remains a key strategic priority. To maintain the credit quality, we follow disciplined underwriting, proactive customer engagement, and timely risk mitigation actions, ensuring the long-term strength and stability of our loan book. Our credit risk framework is built to be resilient and responsive to market cycles, supporting sustainable, high-quality growth.

IMPACT

- High-quality borrower profile
- Real-time portfolio monitoring to detect stress early
- Prudent underwriting

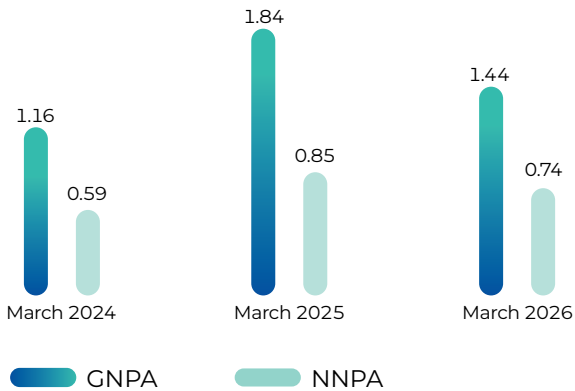
OUTCOMES

- Delinquency and slippage ratios remain well within control, reflecting strong and proactive risk management practices
- The Instant Consumer Loan portfolio has been successfully recalibrated, with bounce rates and collection efficiency aligning with expected performance trends



0.74%
NNPA in FY26

Healthy and stable asset quality (%)



OUR STRATEGY



Optimising borrowing cost, liquidity

We have consistently focused on maintaining a well-balanced capital mix. As a financial services company, we maintain rigorous regulatory compliance while managing capital efficiently to optimise costs and support sustainable growth. Optimum liquidity is maintained to support operational stability and sustain favourable credit ratings from rating agencies.

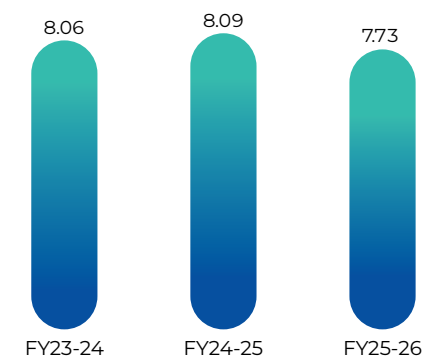
IMPACT AND PERFORMANCE HIGHLIGHTS

- Maintained strong long-term credit ratings of CRISIL AAA/Stable and CARE AAA/Stable, reinforcing financial strength
- Diversified lender base and increased long-term borrowings through NCDs and ECBs to optimise cost of funds and improve borrowing mix
- Strengthened ALM practices with periodic stress testing

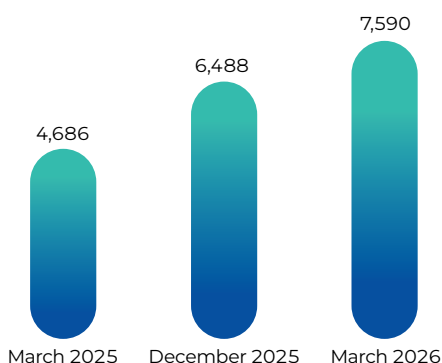
OUTCOMES

- Reduced average cost of borrowing by 36 bps Y-o-Y
- Capital adequacy ratio remained healthy at 16.83%
- Maintained strong liquidity coverage well above regulatory requirements
- Strengthened lender confidence, enabling access to longer-tenure and lower-cost funding sources
- A broader and more diversified lender base including banks, financial institutions, and capital market participants has enhanced access to competitive pricing

Cost of borrowing (%)



Liquidity (₹ Crore)



Building a business designed for the future

Strong leadership is essential for driving growth and developing a financial ecosystem, supported by young and dynamic talent, capable of managing evolving processes. We remain focused on hiring the right people at the right time for the right roles, complemented by structured training and development programmes. Our initiatives promote employee ownership, continuous learning, and a sustainable, collaborative work environment. We prepare employees for leadership roles, equipping them for senior and top management positions, while ensuring they are trained to adapt to technological advancements.

IMPACT AND PERFORMANCE HIGHLIGHTS

- Re-imagined HR interventions using intelligent, scalable solutions to enhance efficiency and employee experience
- Embedded a culture of continuous learning through self-directed and role-based learning mechanism, called Developed Enterprise AI Capability, across the workforce
- Use of AI-powered platforms to deliver seamless, personalised support across the employee and candidate lifecycle, from onboarding to application, while ensuring holistic well-being
- 98% of employees covered under objective scorecards, basis engagement survey results

OUTCOMES

- Strengthened employee engagement through personalised learning opportunities
- Enabled guided career navigation supported by data-driven insights for better career decisions
- Improved hiring outcomes for both candidates and recruiters through enhanced efficiency and experience
- Enhanced overall recruitment process effectiveness and employee experience

7,700 hours
Total leadership development hours completed

OUTLOOK

Our plan is to maintain our expansion momentum by expanding to locations across Tier II and Tier III markets. On the digital front, we aim to scale our fully straight-through processing mix for Prime Personal Loan from 27% to a target of 35-40% over the next few quarters. Management plans to introduce digital business loan within the next 6 to 9 months once current product calibrations solidify.

We remain committed to our investment philosophy in technology and collections to further fortify this momentum and strengthen new businesses which are adding considerable value to our measurable metrics across business and risk.



Towards making a predictable enterprise

In this dynamic operating environment, we intensified our focus on predictability by embedding AI, analytics, and data-driven intelligence across key business functions. The objective is to move from reactive operations to proactive decision-making, enabling faster responses and sharper risk assessments.

Poonawalla Fincorp scaled multiple AI-led initiatives across underwriting, collections, compliance, HR, and finance to create an insight-driven operating model. Advanced analytics and machine learning tools are helping teams identify patterns, anticipate customer behaviour and optimise workflows.



DRIVING SMARTER COLLECTIONS

Predictive risk-ranking models, campaign optimisation engines, and AI-powered monitoring systems enhanced collection efficiency and prioritisation accuracy. GenAI-enabled co-pilots, intelligent voice bots, behavioural nudges, and speech-to-text integrations further strengthened strategies while improving productivity and governance oversight.

AI-POWERED RISK INTELLIGENCE

AI-driven document interpretation, fraud monitoring and portfolio surveillance capabilities supported faster decision-making. Real-time dashboards and workflow systems improved execution visibility and operational control mechanisms.

Functions	Usage of AI tools
HR	• AI-led talent acquisition • ER governance tool • AI driven HR operations
Finance	• Finance bot • Treasury • Invoice auto verification
Operations	• Re-KYC • Operation governance • Stamp verification
Commercial Business	• BL Buddy • Ask PFL Guru • LAP assistant
Customer Service	• Customer service AI agent • Voice of Customer • Human Agent Assist • Social Media Escalation Management

RISK MANAGEMENT AND COMPLIANCE

Risk-first approach to sustainable growth

Poonawalla Fincorp has consistently focused on building a robust risk management framework, with strong oversight to ensure its effectiveness. As a financial services company, we remain committed to minimising and proactively managing risks across all our processes. We leverage digitalisation and advanced technologies to strengthen our risk management systems. Effective controls are embedded at every level of decision-making, supported by real-time data analytics and structured planning. Our integrated approach not only helps us manage existing risks but also enables us to anticipate and prepare for future uncertainties.

RISK GOVERNANCE SYSTEM

Our risk strategy provides comprehensive oversight across key risk areas, including credit, market, interest rate, operational, liquidity, fraud, compliance, and information security. It serves as a strong oversight mechanism for our decision-making framework and is fully aligned with our growth strategy.

In FY26, the RMC met quarterly to examine the risk trends, stress-test results and to plan risk mitigation strategies.

FOUNDATIONS OF RISK MANAGEMENT STRATEGIES

- **Focus on retail lending** - Developing a diversified retail loan portfolio with reduced concentration risk and a prudent secured–unsecured mix
 - **Product diversification** - Broad-based product diversification driving risk-calibrated growth across all economic segments
 - **Extensive use of analytics** - Data-driven risk segmentation using bureau and alternate data for calibrated risk–reward outcomes
- **Strengthening monitoring and governance** - Enhanced credit risk oversight with real-time TTD portfolio monitoring and a structured product programme approach
 - **Strengthening lending framework** - Implementing AI/ML technologies for advanced predictive risk modeling and enhanced credit scoring within risk management

ENTERPRISE-WIDE RISK MANAGEMENT (ERM)

ERM is governed by our Integrated Risk Management (IRM) Policy, a centralised framework applied across all functions and business units. We enhance our risk management approach through Key Risk Indicators (KRIs), risk analytics and portfolio monitoring, and internal control assessments to strengthen overall risk response mechanisms.

MATERIAL RISK CATEGORIES AND MITIGATION

Risk type	Mitigation strategy
Credit risk	• Ongoing asset quality monitoring through dynamic portfolio reviews • Retrospective credit audits and extensive use of analytics for risk-based product segmentation • Early Warning System (EWS) framework for timely stress identification • Risk guardrails to ensure adherence to the Risk Appetite Statement (RAS)
Operational risk	• Mitigated through periodic Risk Control Self-Assessments (RCSA) • Implementation of robust Internal Financial Controls (IFC) framework • Real-time risk tracking enabled via Key Risk Indicators (KRIs) • Maintenance and cross-functional review of a live risk register across departments
Fraud risk	• Managed by the Risk Containment Unit (RCU) • Supported by fraud analytics, transaction monitoring, and internal control systems • High-risk cases escalated to the Chief Risk Officer (CRO) • Oversight provided by the Audit Committee and Board of Directors
Information security risk	• Secured through robust DLP measures and 24/7 SOC oversight • Routine vulnerability scans ensure our defensive posture remains airtight • AI-enhanced security layers shield our cloud networks, emails, and end-user devices
Liquidity risk	• Proactive ALM • Close monitoring and liquidity stress testing • Diversification of funding profile
Market and interest rate risk	• Risk exposure quantified through sensitivity analysis and rigorous stress-testing • Predominantly variable-rate liabilities effectively offset fluctuations in monetary policy
Concentration risk	• Exposure balanced across diverse products, regions, and customer segments • Limits are frequently updated to prevent concentration and cluster risks
Strategic and reputational risk	• Managed via structured business planning and Board-level reviews • Reputational risk mitigated through strict conduct, compliance, and stakeholder engagement
Compliance risk	• All regulatory interactions are logged, monitored, and closed within strict Turnaround Times (TATs) • Compliance trackers and unified MIS provide the Compliance team with real-time visibility

ADVANCED TOOLS FOR RISK MITIGATION

Portfolio risk analytics

Proactively detects borrower distress to enable rapid intervention and mitigation.

Comprehensive stress testing

Regularly evaluates credit, interest rate, and liquidity risks against high-impact, tail-risk scenarios.

RAS & KRI framework

Rigorous monitoring of Risk Appetite Statements and Key Risk Indicators with automated triggers for corrective action.

Integrated risk register

A dynamic, centralised database updated by functional heads to provide real-time risk visibility.

Field audits and risk training

Strengthens on-ground risk culture through structured branch inspections and awareness programmes.

Capital resilience and governance

Aligns capital buffers with an evolving risk profile through enterprise-wide identification and multi-scenario stress testing. Ensures robust capital strength and business continuity via rigorous Board-level oversight and assessment.

CYBERSECURITY AND DATA PROTECTION

Digital defence core

As a high-volume, digital-first NBFC, we leverage a robust IT defence system to secure millions of transactions and mitigate systemic risks. By integrating fintech innovation with strict regulatory system, we prioritise data integrity and proactive threat prevention to ensure seamless, uninterrupted operations.



DATA PRIVACY

By leveraging AI, advanced analytics, and end-to-end digitalisation, we ensure seamless transaction processing while maintaining a commitment to data privacy. To mitigate the data privacy risk, we have deployed a resilient infrastructure that aligns with privacy standards and regulatory requirements. Our defence strategy is anchored by a layered security architecture designed for proactive prevention, real-time detection, and rapid response, safeguarding the entire data lifecycle from ingestion to archival. Our robust cybersecurity framework provides comprehensive protection against evolving threats, effectively mitigating the risk of data breaches and ensuring the integrity of our digital assets.

STRATEGIC CYBERSECURITY PROGRAMME

We have made significant progress in strengthening our cybersecurity posture through a series of high impact initiatives like achieving ISO 27001:2022 certification that reinforces trust in our processes and demonstrates strong governance and risk management practices.

To further enhance resilience, we on-boarded the digital platform that provides continuous, real time monitoring of vendor assets and supply chain risks, ensuring proactive detection of external threats.

We also elevated our cyber resilience programme through various exercises or cyber security assessments and leadership-focused cyber-attack exercises. These efforts validated organisational readiness, closed critical gaps, and strengthened executive preparedness for regulatory obligations.

In parallel, the AI Security Maturity Assessment provided a phased roadmap to enable secure and ethical enterprise AI adoption, positioning us to innovate

responsibly while managing emerging risks.

And we reinforced a culture of vigilance through cybersecurity awareness programs, including phishing/vishing/smishing exercises and Cyber Security Awareness Month celebrations. These initiatives increased employee awareness and executive engagement, embedding the best security practices across the organisation.

CORE MEASURES

- **ISO 27001: 2022 Certification:**

We have achieved ISO 27001:2022 certification, a milestone that enhances trust and confidence in our processes, systems, and services and demonstrates strong governance and risk management practices. This certification underscores our commitment to global standards of information security

- **AI Security Maturity Assessment:**

We completed an AI Security Maturity Assessment covering people, process, data, and technology dimensions. The outcomes include a phased roadmap to enable secure, ethical, and impactful enterprise AI adoption, aligning innovation with responsible risk management

- **Secure Development Lifecycle (SSDLC):**

Adoption of SSDLC guidelines enabled standard frameworks and embedded secure development practices across all digital projects. This strengthens our engineering discipline and ensures that security is integrated into every stage of the development lifecycle

- **Vendor Risk Management:**

Automated monitoring and governance of vendor assets and supply chain risks provide real-time insights through our integrated platform. This proactive monitoring enhances visibility into third-party platforms and fortifies our vendor risk management framework

- **Cyber Readiness & Attack Simulations:**

A comprehensive cyber readiness assessment was carried out using attack scenarios, red teaming exercises and ransomware

simulation exercises that tested organisational resilience and response readiness. This strengthens our preparedness against evolving cyber threats. We also conducted Security Configuration Reviews across all critical devices, ensuring our foundational infrastructure remains hardened against vulnerabilities

- **Awareness & Training Programs:**

Phishing, vishing, and smishing exercises were conducted periodically for both on-roll and off-roll employees

Additionally, Cyber Security Awareness Month (October) was celebrated to foster a culture of security, best practices and encourage responsible digital behaviour across the organisation. Leadership-focused cyber-attack simulations were organised to enhance executive awareness of cyber risks, regulatory obligations, and incident response strategies.

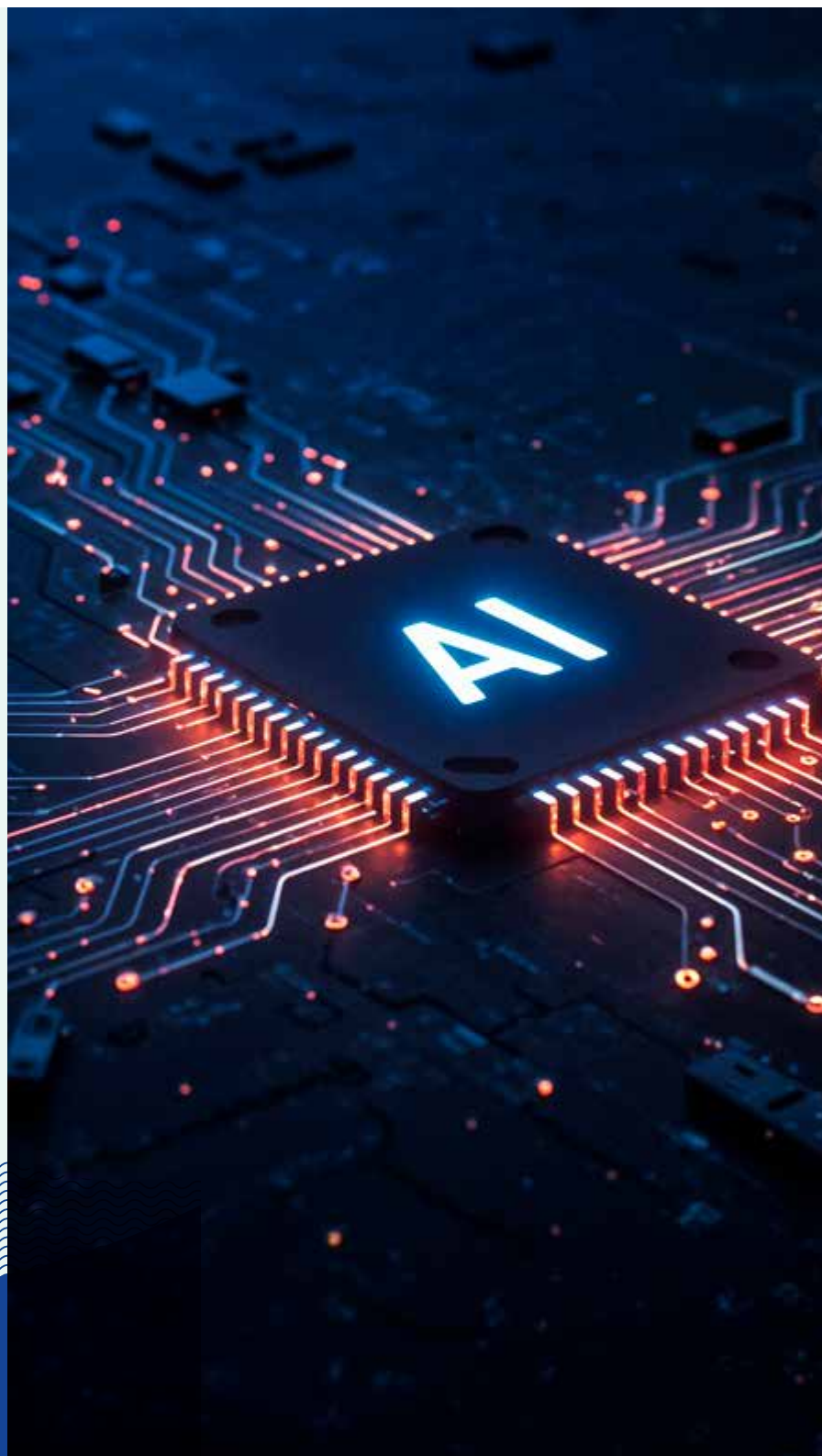
CYBERSECURITY AND DATA PROTECTION

FRAUD RISK MANAGEMENT

While technological advancement and digitalisation introduce new risks, we mitigate these through robust systems designed to prevent fraud and operational disruptions. By utilising advanced predictive tools, we proactively identify and neutralise potential threats before they create any negative impact.

Detection systems

- **AI-driven application screening:** Utilises AI to detect anomalies in device footprints, behavioural patterns, and geolocation data
- **Instant risk triggers:** Real-time monitoring of transaction velocity and IP blacklists
- **Multi-factor onboarding:** Secure verification via OCR, biometrics, and AI face-matching
- **Network intelligence:** Seamless integration with fraud registries and bureau watchlists
- **Hybrid oversight:** Automated flagging paired with manual review for high-risk cases



GOVERNANCE AND COMPLIANCE

Cybersecurity is implemented to ensure security from external and internal threats and forms a significant part of the risk management strategy.

Frameworks and policies:

- **CISO function:** Information Security Committee oversees cybersecurity strategy and execution
- **ISMS implementation:** Based on ISO 27001, with regular internal and external audits
- **BCP and DR protocols:** Periodically tested for full failover readiness
- **Employee training:** Mandatory quarterly and annual programmes covering phishing, password privacy, and online safety
- **Vendor risk management:** Audits and due diligence for all partners handling sensitive data



ELEVATING CYBER VIGILANCE

We are advancing our security roadmap to stay ahead of evolving threat vectors, with several key initiatives currently in progress.

- **Zero-Trust implementation:** We are transitioning to a Zero-Trust model that enforces strict endpoint identity validation,

network micro-segmentation, and access-based control

- **Data privacy governance:** To ensure compliance with the DPDP Act, we are implementing consent management, data retention limit, and dedicated user access workflows

- **Next-Gen cyber intelligence:** We are investing in AI security platforms that use self-learning algorithms and behavioural analytics to mitigate sophisticated anomalies

SUSTAINABILITY AND ESG COMMITMENTS - ENVIRONMENT

Responsible practices for sustainability

We remain committed to building environmentally responsible operations by integrating sustainability into the infrastructure, resource management, and operational practices. Through energy-efficient initiatives, responsible consumption, and green infrastructure development, we reduced our environmental footprint while creating long-term sustainable value.

GREEN ENERGY AND SUSTAINABLE INFRASTRUCTURE

Our head office operates from a platinum-certified green building built using recycled materials and equipped with energy-efficient infrastructure designed to promote sustainable operations.

4,000+

Trees planted

85,000+ Kg

Of CO₂ expected to be offset by these plantations

~354 tonnes

Reduction of CO₂ emission due to usage of Inverter ACs

'GO GREEN'

We procured renewable energy from the Maharashtra State Electricity Board to power our corporate office, reinforcing our commitment to sustainable operations, reduced environmental impact, and responsible energy consumption.

OTHER INITIATIVES

We strengthened energy efficiency by installing inverter air conditioners across 257 new branches (approximately 950 units; 1,281 TR) and deploying 4,158 LED lights along with other energy-efficient electrical equipment across branch offices.

~267.92 tonnes

Reduction of CO₂ emission due to usage of LED lights

SUSTAINABLE RESOURCE MANAGEMENT

We strengthened our sustainability initiatives through multiple energy-efficient and resource-optimisation measures. These included the adoption of LED lighting, retrofitting of appliances, and modernisation of older systems to improve efficiency and reduce energy consumption. We promoted sustainable practices using rice husk alternatives and recyclable paper products across offices.

RESTORING GREEN COVER, DEVELOPING COMMUNITIES

We undertook extensive tree plantation initiatives across communities in FY26. Through these green restoration initiatives and environmental awareness measures, we contribute towards building cleaner, greener, and more sustainable ecosystems for the future.

SUSTAINABILITY AND ESG COMMITMENTS - SOCIAL

Living up to our community promises

We remain committed to creating meaningful social impact by investing in communities, empowering people, and fostering inclusive growth. Through initiatives focused on education, healthcare, skill development, and employee well-being, our Company strengthened its social commitment while building long-term stakeholder relationships.

GREEN HELP FOUNDATION: DRIVING EMPOWERMENT

Through the Green Help Foundation, we supported initiatives focused on women and child health, education, skill development, and livelihood enhancement for underprivileged communities. These efforts contributed towards improved healthcare access, educational support, sustainable livelihood opportunities, and greater financial inclusion through Self-Help Groups (SHGs).

ANGEL CHARITABLE TRUST: HELPING THE DISADVANTAGED

Through the Angel Charitable Trust, we undertake initiatives across education, skill development, women's empowerment, healthcare, and nutrition to foster inclusive community development. These efforts contribute to improved learning outcomes, enhanced employability, greater economic and social empowerment for women, and better health and nutritional well-being for underserved communities.

IIT BOMBAY ADVANCING SCIENTIFIC BREAKTHROUGHS

We backed the IIT Bombay Breakthrough Research Initiative in Life Sciences & Bioengineering, a strategic programme focused on enabling frontier scientific research, next-generation therapeutics, and affordable drug discovery. Through this initiative, we aim to strengthen India's long-term research capabilities by empowering exceptional researchers and fostering transformative scientific innovation with global impact.

SUSTAINABILITY AND ESG COMMITMENTS - PEOPLE



SUSTAINABILITY AND ESG COMMITMENTS - PEOPLE

Cultivating talent for future leadership

At the core of our growth journey lies a strong people-centric culture built on collaboration, learning, inclusivity, and performance excellence. Poonawalla Fincorp remains committed to creating a future-ready workforce by investing in employee well-being, leadership development, transparent communication, and technology-driven HR transformation. Through a culture that empowers people and encourages innovation, we strengthen organisational agility, employee engagement, and long-term business sustainability.



The organisation accelerated AI adoption by training employees through AI-based structured learning interventions aligned with its AI First strategy, delivering 12,400 learning hours through virtual sessions, certifications, and digital platforms. These initiatives

drove strong enterprise adoption, significantly increasing the active user base and AI usage, while delivering measurable productivity gains and embedding AI into everyday workflows.

An Immersive Behavioural Development Programme was introduced to strengthen qualities of self-awareness, leadership and emotional intelligence through experiential learning.

PEOPLE POWERING SUSTAINABLE GROWTH

In FY26, we strengthened employee capabilities by enhancing digital readiness, future-focused skills, and leadership development. Through various people-centric initiatives, we are nurturing a strong, agile, and high-performing workforce equipped to drive growth and transformation.

Pillars	Outcomes
Digital HR excellence	- Autonomously solved HR queries - AI-led platform reduced hiring-related cost and improved capacity - AI platforms saved man hours in analysis
Collaborative culture	- Strengthened transparent communication through feedback loops, and digital engagement platforms - Launched HR WhatsApp handle for real-time employee support - Framed grievance redressal policies to promote fairness and trust - Institutionalised monthly MD Townhalls for direct leadership engagement
Celebrating performance	- Launched the MD's Honour Framework to celebrate high-impact contributions and drive a performance-focused culture - Standardised a 5-day work week for IT teams, improving retention and workplace flexibility - Introduced departmental scorecards, with 98%+ of employees assessed through objective metrics to reduce bias and align goals
Holistic employee well-being	- Launched Wellness 360, a strategy built on the belief that well-being is the base of sustained performance - Expanded wellness offerings to include mental health counselling, preventive care, ergonomic awareness, and flexible/WFH policies - Centrally tracked all wellness initiatives to monitor participation and measure real-world impact
Future-ready learning	Launched 'Lead Forward', an AI-powered assistant giving managers personalised, on-demand guidance on feedback, people decisions, and development planning
Fair pay, market-aligned	- Conducted job evaluation, sizing, and benchmarking to align compensation structures with market standards - Strengthened a culture of fairness and transparency through consistent and objective pay practices

AI AT THE CORE OF HR OPERATIONS

DARTGenie saves 400 man-hours annually, while PAI@HR resolved ~90% of HR queries, reducing response time from 24 hours to under 10 seconds. Our AI-led hiring platform issues offers in under one minute. It has increased hiring capacity by 168%, and reduced hiring-related operational costs by 81%. We partnered with TIH at IIT Bombay to build a predictive hiring model that forecasts candidate longevity and performance using historical data. It strengthened decision-making, reduced manual dependencies, and enabled seamless scaling.

~90%
Queries resolved by HR under 10 seconds

FOR US, PEOPLE FIRST, ALWAYS

We have consistently prioritised employee mobility, learning, wellness, and transparent leadership engagement. Internal mobility programmes and learning modules empowered individuals to grow across functions, while structured recognition and open dialogue with leadership deepened belonging and accountability.

RECOGNITION THAT INSPIRES, REWARDS THAT MATTER

- MD's Honour initiative spotlighted innovation, collaboration, and leadership across functions
- Refreshed appraisal and reward mechanisms fostered a culture of meritocracy and mutual respect

BUILDING TOMORROW'S LEADERS, TODAY

We prioritised sustainable leadership through proactive succession planning and cross-functional development. CDCP certified 7% of employees as role-ready in under 6 months. Six-month leadership journeys, targeted workshops, and interventions tied to measurable outcomes ensured a strong, future-ready pipeline.

5.52
Average learning man days per employee

SUSTAINABILITY AND ESG COMMITMENTS - GOVERNANCE

Governance anchored in integrity

Strong governance remains central to our operating philosophy. We continue to uphold the highest standards of integrity, transparency, compliance, and accountability across all business operations while strengthening risk management and ethical business practices.

COMPLIANCE FRAMEWORK

We follow a strong governance framework supported by robust policies, compliance mechanisms, and alignment with evolving regulatory standards. These practices help ensure accountability, transparency, and disciplined business operations across the organisation.

ETHICAL BUSINESS CONDUCT

Integrity, transparency, and ethical decision-making remain central to our operating philosophy. We maintain a zero-tolerance approach towards misconduct, fraud, and integrity violations while fostering a culture of accountability and responsible business conduct.

INTERNAL CONTROLS

We have embedded proactive risk management frameworks into strategic and operational decision-making processes. Strong internal controls, audit mechanisms, and monitoring systems support disciplined execution and effective risk oversight across the business.

TRUST AND TRANSPARENCY

We remain committed to transparent stakeholder communication and responsible business practices. Through a governance-led culture, we strengthen long-term trust, sustainable growth, and value creation for all stakeholders.

GUIDED BY A STRONG GOVERNANCE FRAMEWORK

Our Board comprises 10 Directors as of March 31, 2026. This includes 5 Independent Directors, including female representation. The collective expertise of our Non-executive Directors brings invaluable strategic insight to our leadership. Furthermore, we have a dedicated Stakeholders' Relationship Committee to oversee redressal of investor grievances smoothly.

VIGIL MECHANISM AND WHISTLEBLOWER POLICY

Poonawalla Fincorp prioritises absolute integrity, taking immediate action against any ethical compromises. Our robust escalation mechanism focuses on preventing and minimising the risk of integrity breaches. Given the critical threat of fraud in financial services, our comprehensive policy outlines clear guidelines for handling violations involving Directors, employees, channel partners, customers, and service providers alike. This policy reinforces our commitment to transparency and open communication, ensuring that our employees and stakeholders actively safeguard our high ethical standards.

ADDITIONAL INITIATIVES

- Aligned digital lending policies with RBI guidelines
- Strengthened RBI-compliant digital loan journeys
- Implemented secure V-CIP and CKYC integration
- Regularly updated policies and SOP frameworks
- Conducted KYC, AML, and digital lending compliance training
- Strengthened compliance monitoring by introducing a tool in a phased manner

INDUSTRY AWARDS AND ACCOLADES

Where excellence finds recognition

Our contributions have earned us distinguished honours that reflect our dedication to innovation, sustainable value creation, and long-term stakeholder benefit. These recognitions stand as a testament to our customer-centric philosophy, strong governance practices, operational excellence, and the transformative solutions we deliver. They also underscore the collective efforts of our people, the trust of our stakeholders, and our unwavering commitment to creating meaningful impact while reinforcing our continued pursuit of excellence in everything we do.

CORPORATE EXCELLENCE**Prestigious Brands of Asia**

Recognised at the 19th Edition of Prestigious Brands of Asia 2026, where we were honoured for our outstanding contribution, achievements, and excellence in the NBFC sector, reinforcing our position as a trusted and respected financial services brand in Asia.

**EXCELLENCE IN TECHNOLOGY****ET Now - Most Innovative Organisations 2025**

Recognised as one of the Most Innovative Organisations 2025, reflecting our commitment to fostering innovation, embracing transformation, and delivering impactful solutions that drive sustainable growth and customer value.

**Technology Senate Awards 2025 – Artificial Intelligence**

Awarded by the Indian Express Group and Express Computer in the Artificial Intelligence category, recognising our innovative application of AI to enhance operational efficiency, customer experience, and business performance.

INDUSTRY AWARDS AND ACCOLADES



Express BFSI Technology Award 2025 – PL Prime Digital 24x7

Honoured for excellence in customer experience, reflecting our commitment to delivering seamless, customer-centric digital solutions and enhancing engagement across every touchpoint.



FICCI National HR Innovation Awards 2025

Awarded the winner in the 'Future of Work' category, acknowledging our efforts in building a progressive workplace through innovative people practices, digital transformation, and a future-ready workforce.



India NBFC Summit & Awards 2025 – Education Loan

Rewarded for delivering an innovative digital education loan journey, enabling a seamless, efficient, and customer-centric borrowing experience through technology-driven solutions.



CII National Artificial Intelligence (AI) Awards 2025

Felicitated for pioneering the use of Artificial Intelligence in underwriting and hiring, recognising our commitment to leveraging technology to enhance decision-making, efficiency, and talent acquisition.



CII DX Awards 2025 - Digital Transformation

Awarded for delivering innovative customer experience initiatives that enhance engagement, simplify interactions, and create seamless, value-driven customer journeys.

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BOARD’S REPORT

To the Members,

Your Directors have pleasure in presenting the 46TH (Forty Sixth) Annual Report, along with the Audited Financial Statements of Poonawalla Fincorp Limited ("Company"), for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS (STANDALONE):

AUM ₹ 60,348 Crore	PAT ₹ 541.81 Crore	GNPA 1.44%	NII ₹ 4,029 Crore	ROA 1.16%	CRAR 16.83%
(₹ in Crore)					
Particulars	FY 2025-26	FY 2024-25			
Total Income	6,795.65	4,222.84			
Finance cost	2,766.67	1,515.09			
Net income	4,028.98	2,707.75			
Operating expenses	2,095.45	1,290.57			
Pre-provisioning operating profit	1,933.53	1,417.18			
Net loss on de-recognition of financial instruments	105.79	94.41			
Impairment on financial instruments	1,104.13	1,458.17			
Profit/(loss) before tax	723.61	(135.40)			
Profit/(loss) after tax	541.81	(98.34)			
Retained earnings as at the beginning of the year	1,621.74	1,721.55			
Profit/(loss) after tax	541.81	(98.34)			
Other comprehensive income on defined benefit plan	(1.53)	(1.47)			
Retained earnings before appropriations	2,162.02	1,621.74			
Appropriations:					
Transfer to reserve fund under Regulation 45-IC of Reserve Bank of India Act, 1934	108.37	-			
Retained earnings as at the end of the year	2,053.65	1,621.74			

COMPANY AND BUSINESS OVERVIEW

The Company is a Non-Banking Financial Company ("NBFC") offering a diversified suite of 13 (thirteen) loan products, catering to diverse borrower segments, including salaried and self-employed individuals, professionals from diverse backgrounds, students, micro, small and medium enterprises ("MSMEs") and mid-sized corporates.

The Company commenced its lending operations in 1989 and has a customer base of over twenty two lakh customers, as of March 31, 2026.

Following its acquisition by Rising Sun Holdings Private Limited, a member of the Cyrus Poonawalla Group, in May 2021, the Company has undertaken several strategic initiatives. These include refined product suite, introduced new products, embedded a credit by design "risk-first" approach, invested in its distribution network, technology and artificial intelligence ("AI") initiatives, established an organizational structure with a multi-tiered leadership team and scaled its assets under management ("AUM") while maintaining asset quality.

The Company's product portfolio comprises loan against property, instant consumer loans, mid-market loans, business loans, pre-owned car loans, prime personal loans, gold loans, education loans, professional loans, consumer durable loans, machinery and medical equipment loans, commercial vehicle loans and shopkeeper loans. The AUM for newly introduced products comprising prime personal loan, gold loans, education loans, consumer durable loans, commercial vehicles loans and shopkeeper loans was ₹ 8,298 Crores, 14% of our AUM, as of March 31, 2026. The Company maintained a balanced mix of secured and unsecured lending, with 54% and 46% of our onbook AUM categorized as secured and unsecured lending as of March 31, 2026, respectively.

Our credit-by-design framework embeds a "risk-first" culture and disciplined risk management across the lending cycle. The Company prioritizes risk management and asset quality to pursue growth that is sustainable, predictable and productive, consistent with its risk management framework.

The Company operates a 'phygital' distribution network that integrates physical and digital channels to reach a wider set of customers, increase operational efficiency and reduce costs. The Company has an extensive physical distribution channel comprising 504 branches across 20 states and union territories, over 2,700 Channel Partners, over 12,500 dealers (including retailers and original equipment manufacturers), over 500 counsellor partners and 6 call centers, as of March 31, 2026.

Operations are underpinned by advanced technological and AI systems integrated into our platform, which span across the lending cycle. Digital and analytics form the core of our technology AI capabilities and enable us to enhance revenue streams and drive productivity to optimize our operating and credit costs.

The Company is led by an experienced management team, with key managerial personnel ("KMP") and senior management personnel ("SMP") possessing extensive and diverse experience in the financial service industries. The management team is guided by the Board of Directors of the Company ("Board of Directors" or "Board").

The Company operates with a robust risk management framework grounded in a credit-by-design, "risk-first" philosophy. It prioritizes risk management and asset quality to pursue growth that is sustainable, predictable and disciplined. The framework spans the entire lending lifecycle, including prospecting, underwriting, portfolio monitoring, collections, fraud risk, information security and compliance, thereby strengthening our risk management framework and supporting disciplined, scalable growth.

FINANCIAL PERFORMANCE AND STATE OF THE COMPANY’S AFFAIRS:

Financial performance:

Your Company has delivered strong financial performance marked by growth, robust capitalization and resilient asset quality. Our AUM grew to ₹ 60,348 as of March 31, 2026. Total Income grew to ₹ 6795.65 Crore for the year ended March 31, 2026. Capital position remains robust with a CRAR, above the regulatory requirement of 15.00%. Asset quality remains resilient with Gross NPA of 1.44% and Net NPA of 0.74% as of March 31, 2026, supported by a provision coverage ratio of 49.00%.

Total Income on a standalone basis increased to ₹ 6,795.65 Crore in FY 2025-26 from ₹ 4,222.84 Crore in FY 2024-25 reflecting strong business growth

across all retail products. Net Interest Income (NII), including the fees and other income continues to grow healthy and on a standalone basis increased to ₹ 4028.98 Crore in FY 2025-26 from ₹ 2,707.75 Crore in FY 2024-25, primarily driven by an increase in AUM, improved yield profile, and enhanced operating leverage.

The impairment on financial instruments decreased to ₹ 1,104.13 Crore in FY 2025-26 from ₹ 1,458.17 Crore in FY 2024-25 largely attributable to the erstwhile small ticket personal loan book (STPL), which has since been recalibrated. Policy interventions, across other retail products leading to improved quality of origination, coupled with better collection efficiency, resulted in reduced forward flows aiding in reduction in impairment cost.

The Company's Profit/(loss) after tax ("PAT") on a standalone basis increased to ₹ 541.81 Crore in FY 2025-26 from ₹ (98.34) Crore in FY 2024-25.

As at March 31, 2026, the Company's Capital to Risk-weighted Assets Ratio or the Capital Risk Adequacy Ratio ("CRAR") was 16.83%, which is above the regulatory minimum requirement of 15% prescribed by the Reserve Bank of India ("RBI"). Following the successful capital raise of ₹ 2,500 Crore through qualified institutional placement (QIP) in the month of April 2026, the simulated CRAR was 20.74% basis balance sheet for the financial year ended March 31, 2026, providing enough headroom for growth and leverage at 3.78x.

ALM statement and Liquidity:

We have a well-diversified liability base supported by long-term credit ratings of CRISIL AAA/Stable and CARE AAA/Stable, short-term ratings of CRISIL A1+ and CARE A1+ and our perpetual bonds are rated CRISIL AA+/Stable and CARE AA+/Stable, as of March 31, 2026, reflecting our strong credit position. Our NCDs are also rated BWR AAA/Stable and ACUITE AAA/Stable by Brickwork Ratings India Private Limited and Acuite Ratings and Research Limited, respectively.

We have a diversified borrowing mix, including short and long term loans from banks, NCDs, commercial paper and external commercial borrowings, ensuring depth and flexibility in market access. Our average cost of borrowings (i.e., the ratio of our finance costs for the relevant period/year to a simple average of daily outstanding borrowings for the relevant period/year) was 7.73% and 8.09% for FY 2025-26 and FY 2024-25, respectively. We follow a prudent asset-liability management ("ALM") strategy, maintaining



a balanced mix of short-term and long-term assets and liabilities. As of March 31, 2026, based on residual maturity, 63.68% of our borrowings were long-term borrowings, and 36.32% of our borrowings were short-term borrowings. Our strong credit rating, diversified liability base and an optimized mix of short- and long-term liabilities have supported a measurable reduction in our cost of borrowings.

We further reinforce risk discipline through a board-constituted Asset Liability Management Committee ("ALCO"), which reviews changes in the economic environment and suggests suitable strategies for effective resource management, managing our cost of funds and responsiveness to market conditions. Further, we manage liquidity and interest rate risks through ALM policies, daily liquidity coverage ratio monitoring, duration sensitivity analysis and periodic stress testing through our ALCO.

Transfer to reserve:

During the year under review, the Company has transferred ₹ 108.37 Crore to Reserve as required under Regulation 45-IC of the Reserve Bank of India Act, 1934.

Dividend:

In view of the future growth of the Company, the Board of Directors has decided to conserve capital. Therefore, the Board has decided not to recommend dividend for FY 2025-26.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as reviewed and adopted by the Board of Directors of the Company, is available on the Company's website viz., URL: https://poonawallafincorp.com/documents/20121/0/4.+PFL_Dividend+Distribution+Policy_Version+No.+5.0.pdf/e1e4fa2a-b79f-599f-e02f-670aa0a803a4

Subsidiary and Joint Venture companies and its performance highlights:

The Company has one joint venture company, Jaguar Advisory Services Private Limited ("JASPL") and no subsidiary company as on March 31, 2026.

JASPL, a joint venture with HDI Global SE is an advisory service company domiciled in India. JASPL is a special purpose vehicle (SPV) company. The Board of Directors and the Shareholders of the Company

have approved divestment of 11,000 equity shares constituting 48.89% of the share capital held by the Company in JASPL, the said transaction is subject to requisite regulatory approvals. The Board reaffirmed the proposal to divest its shareholding in JASPL at its meeting held on May 05, 2026, and accordingly in line with the requirements of Ind - AS 105 "Non-current Assets Held for Sale and Discontinued Operations", such investment has been classified as assets held for sale.

During FY 2025-26, no new subsidiary, joint venture or associate was incorporated/acquired. The Company's Policy for determination of material subsidiaries, as adopted by the Board of Directors is in conformity with Regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at <https://poonawallafincorp.com/documents/20121/0/PFL-ACB-Policy-on-Material-Subsidiary-Version-No-6.0.pdf/701a6e1f-74a2-31a5-6f1a-4f37e08f1219>

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing the salient features of financial statements of the Company's subsidiary in e-Form No. AOC-1 is attached to the financial statements of the Company.

Consolidated financial statements:

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

DEPOSITS:

Being a non-deposit taking NBFC, your Company has not accepted any deposits from the public within the meaning of the provisions of the Master Direction of Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025 and the applicable provisions of the Act.

CHANGE IN NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business and operations of the Company.

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

There have been no material changes and commitments which affected the financial position of your Company that have occurred between the end of the financial year to which the financial statements relate and up to the date of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

In accordance with the applicable provisions of the SEBI Listing Regulations, the Management Discussion and Analysis Report, forms part of this Report.

EMPLOYEE STOCK OPTION SCHEMES:

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

The Employee Stock Option Plan ("ESOP") granted to the employees of the Company currently operate under the following schemes:

- Employee Stock Option Plan 2021 (ESOP- 2021)

The Company has instituted the Employee Stock Option Plan - 2021 ("ESOP 2021"), administered by the Nomination and Remuneration Committee ("NRC"). ESOP 2021 was approved by the Board of Directors on June 19, 2021 and our Shareholders on July 24, 2021. Under ESOP 2021, the maximum aggregate number of stock options that could be allotted was limited to 15,000,000 stock options, with each option representing one Equity Share of the Company. The NRC at its meeting held on June 01, 2024, approved the termination of ESOP 2021 and cancelled ungranted stock options under the scheme. The stock options that have been granted under ESOP 2021 to eligible employees of our Company, and remain outstanding, shall remain operational until such options are exercised/lapsed.

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

The Company has instituted the Employee Stock Option Plan – 2024 - Scheme II ("ESOP 24") administered by the Nomination and Remuneration Committee. ESOP 2024 was approved by the Board of Directors on April 8, 2024, and our Shareholders on May 13, 2024. Under ESOP 2024, the maximum aggregate number of stock options that could be allotted was limited to 20,000,000 stock options, with each option representing one Equity Share of the Company. These options were granted in the absolute discretion of the NRC on the basis of factors such as eligible employee's performance appraisal, seniority, period of service, and present and potential contribution to the growth of the Company. ESOP 2024 was amended through a special resolution passed by our Shareholders by way of postal ballot on June 16, 2025, to increase the maximum aggregate number of stock options that could be allotted under this scheme to 32,500,000 stock options, with each option representing one Equity Share of the Company.

Accordingly, employee stock options were granted to eligible employees under ESOP 2024, from time to time pursuant to multiple grants made by the Company. During the year under review, 20,15,000 options were granted under ESOP 2024 Scheme II of the Company.

The aforesaid schemes are in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations, 2021"), to the extent applicable. The NRC of the Company, inter alia, administers and monitors the schemes in accordance with the SEBI (SBEB & SE) Regulations, 2021.

A statement giving complete details, as on March 31, 2026, as required under the Act and Regulation 14 read with Part F of Schedule I of the SEBI (SBEB&SE) Regulations, 2021 is available on the website of the Company at <https://poonawallafincorp.com/investor-governance>. These details, along with the certificate from the Secretarial Auditor of the Company, as required under Regulation 13 of the SEBI (SBEB & SE) Regulations 2021, the schemes have been implemented in accordance with the said Regulations, would be placed and available for inspection by the Members during the Annual General Meeting ("AGM") of the Company. Grant wise details of ESOP vested, exercised, allotted and cancelled are also provided in the notes to the standalone financial statements.

The Company has instituted the Employee Stock Option Plan – 2024 (“ESOP 2024 – PFL Trust”), administered by the NRC, to acquire, purchase, hold and deal in the Equity Shares by way of secondary acquisition through the PFL Employee Welfare Trust. The ESOP 2024 – PFL Trust was approved by the Board of Directors on January 18, 2024, and our Shareholders on February 20, 2024. However, the Board of Directors at their meeting held on June 01, 2024, approved the cancellation of ESOP 2024 – PFL Trust and the dissolution of the PFL Employees Welfare Trust, subject to requisite approvals and compliances under applicable law. Under the said scheme no stock options were granted by the Company to any employee under ESOP 2024 – PFL Trust. ESOP 2024 – PFL Trust is holding 48,30,000 equity shares of the Company as on March 31, 2026. The shareholding is disclosed as “non-promotor and non-public shareholding” in the shareholding pattern of the Company.

CHANGES IN SHARE CAPITAL:

During the year under review, your Company allotted 16,55,156 equity shares of face value of ₹ 2/- each pursuant to the exercise of Employee Stock Options by eligible employees of your Company, in accordance with the applicable Employee Stock Option Scheme.

The Board of Directors, vide resolution dated September 17, 2025, approved the allotment of 3,31,48,102 fully paid-up equity shares of face value ₹ 2/- each, at an issue price of ₹ 452.51/- per equity share (including a premium of ₹ 450.51 per equity share) aggregating to ₹ 1499.98 Crore (Rupees One Thousand Four Hundred Ninety Nine Crores and Ninety Eight Lakh only), by way of preferential allotment in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) on a private placement basis to Rising Sun Holdings Private Limited, the Promoter of the Company.

At the close of the financial year, pursuant to the aforesaid allotments, the issued, subscribed and paid-up equity share capital of the Company stand increased to ₹ 1,625,635,316.00/- (Rupees One Hundred Sixty-Two Crore Fifty Six Lakh Thirty Five Thousand Three Hundred and Sixteen Only) consisting of 812,817,658 Nos. of equity shares (Eighty-One Crore Twenty Eight Lakh Seventeen Thousand Six Hundred and Fifty-Eight).

After the close of the financial year, the Committee of Directors of the Board on April 13, 2026, approved the allotment of 67,430,883 fully paid-up equity shares of face value ₹ 2/- each, to eligible Qualified Institutional

Buyers, at an issue price of ₹ 370.75 per equity share (including a premium of ₹ 368.75 per equity share) aggregating to ₹ 2,500 Crore (Rupees Two Thousand Five Hundred Crore only), pursuant to the qualified institutional placement (QIP) in accordance with the applicable provisions of the SEBI ICDR Regulations, 2018 and the Act. The QIP Issue opened on April 9, 2026, and closed on April 13, 2026.

Further, the NRC on April 24, 2026, allotted 68,207 equity shares of face value of ₹ 2/- each pursuant to the exercise of Employee Stock Options by eligible employees of your Company, in accordance with the applicable Employee Stock Option Scheme.

Pursuant to aforesaid allotments, the issued, subscribed and paid-up equity share capital of the Company stand increased to ₹ 1,760,633,496.00/- (Rupees One Hundred Seventy-Six Crore Six Lakh Thirty Three Thousand Four Hundred and Ninety Six Only) consisting of 88,03,16,748 Nos. of equity shares (Eighty-Eight Crore Three Lakh Sixteen Thousand Seven Hundred and Forty-Eight).

The new equity shares issued shall rank pari-passu with the existing equity shares of the Company.

FUND RAISING:

During the year under review, your Company continued with its diverse methods of sourcing funds including borrowing through NCDs, commercial papers, external commercial borrowings, term loan and working capital facilities and maintained prudential Asset Liability match throughout the year. Your Company sourced funds by way of issuing NCDs to and obtaining loans from banks and other institutions at competitive rates. Your Company continues to expand its borrowing profile by tapping new lenders.

During the year, the Company has raised fresh term loans of ₹ 14,725 Crore and external commercial borrowings of ₹ 1,281.40 Crore from banks and other financial institutions for a door-to-door tenor ranging from 3 (three) to 5 (five) years. The Company also raised funds through commercial paper aggregating to ₹ 13,075 Crore (peak outstanding of CP during the year was ₹ 4,695 Crore) and secured NCDs of ₹ 13,580 Crore and Subordinated NCDs of ₹ 250 Crore during the year. The funds raised through commercial papers and NCDs were utilized for the purpose specified in the respective offer documents. Catalyst Trusteeship Limited is acting as Debenture Trustee of the Company, the details of which are given in the Corporate Governance Report. As on March 31, 2026, your Company does not have any listed green debt securities.

Further disclosure related to Perpetual Debt Instrument as per the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, is provided in the standalone financial statements.

The Company on September 17, 2025, raised a sum of ₹ 1499.98 Crore fully paid-up equity shares through preferential issue to its Promoter. Further, on April 13, 2026, the Company successfully raised ₹ 2,500 Crore, by issuance of fully paid-up equity shares through a Qualified Institutions Placement (QIP). The issue witnessed strong participation from institutional investors and long-term funds, reflecting continued confidence in the Company’s strategy and growth outlook.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, the Company has fully utilised the funds raised through preferential issue for the objects stated in the offer document and notice seeking Members approval i.e., Prepay/ repay the borrowings including interest thereon of the Company, AUM growth and for lending towards various financing activities as per applicable law/ regulation for NBFC and general corporate purposes. CARE Ratings Ltd., monitoring agency, has issued reports confirming utilisation of funds as per stated objects. The said report is available on the Company's website at <https://poonawallafincorp.com/investor-governance>. Statement of fund utilisation pursuant to Regulation 32 of the SEBI Listing Regulations has also been filed with the stock exchanges for preferential issue. Pertaining to fund raising through

QIP, utilisation report under regulation 32(7A) of SEBI Listing Regulations, 2026, will be disclosed as per applicable timelines.

CREDIT RATING:

During the year under review, CRISIL Ratings reaffirmed the ratings assigned to bank facilities and debt instruments in March 2026. The ratings of long-term bank facilities, NCDs and Subordinated Debt were reaffirmed as CRISIL AAA/Stable. Further, the ratings of Commercial Papers and short-term bank Facilities were reaffirmed as CRISIL A1+ and Perpetual Debt Instruments were reaffirmed as CRISIL AA+/ Stable.

In March 2026, CARE Ratings reaffirmed the rating assigned to bank facilities and debt instruments. Ratings of long-term Bank Facilities, NCDs and Subordinated Debt were reaffirmed at CARE AAA; Stable, and the ratings of Market Linked Debentures were reaffirmed at CARE PP-MLD AAA; Stable. Ratings of Perpetual Debt were reaffirmed at CARE AA+; Stable. The ratings assigned to short-term bank facilities and commercial paper were reaffirmed at ‘CARE A1+’.

In February 2026, Brickwork Ratings reaffirmed the ratings for the NCDs to ‘BWR AAA/Stable’. Further, the rating of subordinated debt was also reaffirmed to BWR AAA/Stable.

In May 2025, Acuite Ratings and Research Limited also reaffirmed the long-term rating assigned to NCDs as ‘ACUITE AAA/Stable’.

A summary of outstanding ratings as on March 31, 2026, is presented below:

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

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

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

Status of ratings assigned by rating agencies and migration of ratings during the year are provided in note to the standalone financial statements.

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

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

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

Further, the Company has not provided any loans to Directors, senior officers and relatives of directors as per the Reserve Bank of India (Non-Banking Financial Companies - Credit Risk Management) Directions, 2025.

RISK MANAGEMENT FRAMEWORK:

Risk Management:

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

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

The Risk Management Committee functions are in line with the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, SEBI Listing Regulations and oversee implementation of the Risk Management Framework of the Company. The Risk Management Committee met 5 (five) times during the year. Meeting details, terms of reference, and its functioning are set out in the Corporate Governance Report.

The Company understands that risk evaluation and risk mitigation is a function of the Board of the Company, and the Board of Directors are fully

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

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS:

Pursuant to Master Direction – Reserve Bank of India, a Middle-layer NBFC is required to have an Internal Capital Adequacy Assessment Process ("ICAAP") in place which also covers stress testing. The objective of ICAAP is to ensure availability of adequate capital to support all material risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed and implemented an ICAAP policy. Pursuant to which the Company assesses the adequacy of its capital relative to its risk profile on a forward-looking basis.

INTERNAL FINANCIAL CONTROLS:

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

During FY 2025-26, testing was conducted based on process walkthrough and review of samples as per documented controls in the Risk and Control Matrix. Testing was done for the planned controls confirming the existence and operating effectiveness of controls over financial reporting. The review was performed on design, adequacy and operating effectiveness of the controls.

The internal financial controls are supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, its reporting and other data. The Audit Committee of the Board ("ACB") reviews internal audit reports given along with management responses. The ACB also monitors the implemented suggestions.

The Company has, in all material respects, adequate internal financial control over financial reporting and such controls operate effectively.

The Joint Statutory Auditors of the Company have also certified the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 31, 2026. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

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

The details of the said Policy are explained in the Corporate Governance Report and is available on the website of the Company at https://poonawallafincorp.com/documents/20121/0/2.+PFL+Breach+of+Integrity+and+Whistle+Blower+Vigil+Mechanism+Policy_Version+No.7.0+%281%29.pdf/a4086e28-bead-0511-93e5-b630b38a9bce

COMPLIANCE MANAGEMENT:

The Company is implementing a comprehensive compliance management tool ("CMT") developed by consultant, to strengthen its compliance framework. The objective of CMT tool is to provide: - repository of regulations, dissemination of actionable, seek certification and keep audit trail of actionable, monitor

the observations via dashboard and reports and escalate delays through alerts. This system enhances transparency, accountability, and effective monitoring of the Company's regulatory compliance obligations.

HUMAN RESOURCES:

Your Company firmly believes that employees are its greatest asset. By orchestrating successful change management initiatives aligned with the Company's Vision and Mission, the Human Resources ("HR") department has been pivotal in driving organizational success through a series of transformative efforts. By prioritizing innovation and efficiency, HR integrated strategic automation and AI into core functions. Key initiatives included the launch of the MD's Honour to celebrate exemplary contributions, the introduction of flexible work hours, and AI-driven hiring processes that increased offer capacity. Additionally, continuous learning and leadership development programmes, such as the "Parambh" induction programme and the "SkillUp" digital learning platform, have ensured that employees are well-equipped to meet future challenges. These efforts have collectively elevated the employee experience, built a robust, tech-enabled HR ecosystem, and positioned your Company as a leader in HR innovation and excellence.

Succession Planning:

The Company has in place succession planning framework, the objective of the succession planning inter-alia includes:

- To ensure that the business is not affected on account of vacancies arising in the SMP, whether such vacancies are caused by reasons such as retirement, resignation, death or permanent incapacitation or sudden exit for any other reason.
- To identify and create a pool of high potential personnel, who can be considered for appointments at SMP positions.
- To groom the pool identified and provide a career path, to assume such higher roles and responsibilities in a seamless manner whenever the need arises.

The NRC and Board review succession planning and transitions at the Board and SMP level. The Board composition and the desired skill sets/areas of expertise at the Board level are reviewed and vacancies, if any, are reviewed in advance through a systematic process.

Succession planning at SMP level, including business and assurance functions, is reviewed to ensure continuity and depth of leadership at 2 (two) below the Managing Director. Successors are identified prior to the SMP positions falling vacant, to ensure a smooth and seamless transition. Succession planning is a continuous process which is periodically reviewed by NRC and the Board.

Compliance with the Maternity Benefit Act, 1961:

The Company is in compliance with the applicable provisions of Maternity Benefit Act, 1961 in respect of its female employees, including those relating to maternity leave and associated benefits.

Prevention of sexual harassment at workplace:

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

During the year under review, no case of sexual harassment was reported to the IC. The composition of IC is in accordance with the POSH Act. To build awareness and appreciation of this area, your Company has implemented an online knowledge module leveraging our learning management system.

Your Company continues to strive harder with each passing year to ensure our organization succeed in bringing the best out of our people and enable the organization to create value for its shareholders and employees.

INFORMATION TECHNOLOGY, GOVERNANCE AND CYBER SECURITY:

Information Technology ("IT"):

The technological advancement in your Company has resulted in multi-fold growth in the digital-led business. There is significant growth in API based end-to-end digital lending through mobile application, digital DSAs and co-lending partners.

Your Company's IT guiding principles are:

- (1) Digital first through increased digital footprint across loan journeys.
- (2) Offer best-in-class customer experience across channels.
- (3) Ensure "Scalable, Resilient, Predictable" technology infrastructure with single governance and 24x7 availability.

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

Your Company has launched its digital stack for customer acquisition on instant personal loan, business loan for direct customer acquisition. A tight integration of this with the lead management and dialer platform enables effective customer nudging resulting in higher conversion. The EMIC card journey has also been launched. In addition, the API stack launched and consumed in embedded partner journeys has enabled us to onboard more partners for customer acquisition. Your Company has also launched leasing business on its in-house platform. Business processes in operations, customer service and finance have been re-aligned as per industry-best practices thus enabling end-to-end automation of each process through seamless API based integration of IT systems. Your Company continues to enhance the website which enables efficient lead generation through search engine optimization, customer acquisition, user centric design and content management framework to enable faster feature launches on website.

We are focused on adopting AI across the organization in different functions across customer service, risk and collections with close integration of AI solutions with the core IT solutions in customer acquisition, CRM, core processing and collections.

We continue to build on our secure API stack with a future proof strategy exposing the APIs for easy consumption by our systems and external partners. Our Data Lake architecture enables detailed journey tracking, one customer view, efficient reporting. The medallion architecture along with the functional data pods enables effective business insights to cross sell, customer 360 and propensity modelling.

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

A single governance platform established across this application and infrastructure ecosystem ensures a strong tracking and governance for compliance, change and resiliency.

Your Company has achieved ISO/IEC 27001:2022 certification, a globally recognized standard in Information Security Management.

Governance:

In accordance with the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023, the Company has constituted the Information Security Committee, IT Steering Committee, and IT Strategy Committee. These Committees operate in line with the respective charters approved by the Board and play a critical role in strengthening the Company's IT governance framework. The committees meet on a quarterly basis, and details of their meetings and terms of reference are set out in the Corporate Governance Report.

Cyber Security:

During the year, your Company continued to strengthen its cybersecurity posture through multiple strategic initiatives. To ensure a systematic approach to protecting sensitive data and enhancing resilience against cyber threats, the Company successfully underwent the ISO 27001 certification process and audit, achieving certification from BSI.

The scope of Security Operations was expanded to monitor a wider range of security events and information across all digital assets. Enhanced monitoring of databases was also implemented to provide clear visibility into data access and activities.

Various proactive assessments were conducted to detect and remediate risks, thereby minimizing potential cyber threats. As part of the leadership-focused cybersecurity awareness programme, a

cyber-attack simulation exercise was carried out, followed by targeted awareness sessions.

In alignment with the Digital Personal Data Protection Act, 2023 and the rules thereunder, awareness sessions were organized for employees across all departments. Recognizing the growing risks from third parties, the Company onboarded a third party risk monitoring platform to monitor external cyber threats and risks proactively which are working with the Company. Furthermore, with the increasing adoption of AI, the information security team developed an AI security governance framework and conducted an AI security maturity assessment to ensure responsible and secure use of AI technologies.

AI-SOLUTIONS TRANSFORMING OUR FUNCTIONS AND CAPABILITIES EVOLVED FOR SCALE

AI now serves as a core operating layer across the lending lifecycle. Our AI-first operating model now informs pre-screening, underwriting, disbursements, collections, and customer servicing, improving turnaround time, credit quality, and cost efficiency. Our AI/ML models power account aggregator-based scoring and business rules engine-led underwriting, persona-based models and bounce prediction in collections, anomaly detection and policy review automation in compliance, among others. The ML-based model of repayment propensity and engagement channels have improved early-stage delinquency resolution and enhanced collection efficiency with human oversight. Fraud risk is addressed through layered AI-driven application screening, real-time triggers biometrics, AI-based face matching, and linkages to industry fraud registries and watchlists. AI is embedded in frontline and support functions alike HR use AI-driven hiring, resume parsing, attrition prediction, conversational support, and a candidate sourcing engine, improving time-to-offer and onboarding effectiveness. Finance, operations, secretarial, and strategy functions utilize AI copilots, invoice auto-verification, and competition mapping, while commercial teams deploy generative-AI voice bots and cross-sell automation.

As of March 31, 2026, we advanced 76 AI initiatives, including 42 fully deployed and 34 underway viz., spanning credit, underwriting, collections, analytics, risk, compliance, audit and compliance, operations, customer service, admin and infrastructure, secretarial, HR, among others. We have also established a "MarTech" marketing technology stack centered on AI-driven automation to improve customer acquisition and engagement, particularly in the digital lending

space. “MarTech” focuses on real-time, minimum human intervention marketing, including the ability to generate targeted marketing campaigns which do not require any human intervention. Further, we have launched our AI-powered credit underwriting assistant which is designed to reduce manual processes and enhance consistency and accuracy by reviewing and interpreting customer information and documentation to generate a summary for the underwriters. The credit AI underwriting platform utilizes large language models and machine learning to enhance underwriting productivity, in line with our “risk-first” model. In addition, we have developed a fully-automated suspicious transaction reporting layer, an AI and machine learning powered solution designed to improve anti-money laundering compliance by reducing false positives and identifying genuinely risky behaviors. We have also developed our “RegIntel” compliance assistant, an autonomous AI tool that analyzes RBI advisories, maps them to internal policies, and provides instant, context-aware summaries to ensure regulatory compliance. Moreover, we have also developed AI-powered HR and travel tools, such as “PAI@HR”, a WhatsApp-powered chatbot for instant employee support on policies and payroll, and “Travel Bot”, an AI-integrated bot in Microsoft Teams that streamlines travel bookings, ensures policy compliance and centralizes records. Further, one of our AI initiatives which is underway is “Build Buddy”, an AI-powered development assistant that will be integrated into our existing technology stack to accelerate application development and improve software quality. These AI-led interventions are translating into measurable improvements in productivity, cost efficiency, decision accuracy, and customer experience, while enabling scalable growth.

We have received several awards and recognitions in relation to our AI infrastructure and initiatives.

CORPORATE IMAGE BUILDING & ENGAGING TARGET AUDIENCE:

Public Relations and External Communication:

In FY 2025-26, the Company scaled up its communications from a strong foundation, foregrounding visibility and strengthening its positioning as a responsible, risk-first lender under a stable, execution-focused leadership team. During the year, the Company focused on broadening its media footprint, sharpening its corporate identity, and proactively shaping a consistent and compelling narrative around the business being built on the ground.

Public relations efforts in FY 2025-26 were anchored around three themes, mainly, the Company's multichannel growth story, its technology and AI adoption across functions, and its expanding product suite for underserved segments in the credit ecosystem. A significant milestone of FY 2025-26 was the successful expansion from 7 (seven) to 13 (thirteen) businesses under the new leadership. The company's strategic PR efforts highlighted this rapid transformation. High-impact media engagements anchored the corporate narrative. 4 (four) product launches being Shopkeeper Loan, Gold Loan, Consumer Durable Loan, and Business 24x7 Loan were communicated through a national press release strategy with financial, capital markets, and trade media, supported by a hyperlocal approach across 16 (sixteen) key regional cities along with digital amplification on owned channels. The Company's AI-first transformation across governance, compliance, customer engagement, and HR processes was communicated systematically through national and trade press releases, strengthening the Company's positioning as a digital-first lender embedding technology across every function.

Sustained communication around its technology transformation and expanding product suite resulted in increased media recall and strengthened brand positioning. Overall media visibility grew nearly 15x, significantly enhancing brand visibility and investor engagement. The ₹ 1,499.98 Crore promoter infusion and the subsequent ₹ 2,500 Crore QIP were communicated as markers of sustained institutional and promoter confidence in the Company's capital strength and growth trajectory.

Awards and Recognitions:

Company received several awards during the year under review, including:

- “Prestigious Brands of Asia” at 9th Edition of Prestigious Brands of Asia 2026;
- “Most Innovative Digital Journey” at the India NBFC Summit & Awards 2025;
- “Technology Senate Awards 2025 in Artificial Intelligence” at The Indian Express Groups and Express Computer 2025;
- “Innovative in Customer Experience” at CII DX Awards 2025;
- “Most Innovative Organizations 2025” by ET Edge;

- “The Technology Senate Awards 2025” for the “Artificial Intelligence” category, by The Indian Express Group and Express Computer;
- “Express BFSI Technology Award 2025” for customer experience, in relation to our PL Prime Digital 24x7 platform, by Express Computer;
- Recognition in the “Innovative in Customer Experience” category at the DX Awards 2025;
- “Winner in the ‘Future of Work’ category” at the 3rd FICCI National HR Innovation Awards 2025;
- “Most Innovative Digital Journey – Education Loans” at the India NBFC Summit and Awards 2025; and
- “Most Innovative Practice Awards” at the 2nd edition of the CII National Artificial Intelligence (AI) Awards 2025 for the categories “AI in underwriting solution” and “AI in hiring solution”.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has a comprehensive Corporate Social Responsibility (“CSR”) Policy outlining programmes, projects and activities that your Company undertakes to create a significant positive impact on disadvantaged section of the society. All these programmes fall within the purview of Section 135 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”). Your Company has undertaken socially impactful CSR projects during the year under review. Your Company has partnered with implementing agencies to implement projects in the CSR focus area viz., healthcare, education and skill development and livelihood and women empowerment.

During FY 2025-26, your Company was required to spend ₹ 6.56 Crore under CSR as enumerated in Section 135(5) of the Act. Your Company has spent an amount of ₹ 6.56 Crore on CSR activities. The Annual Report on CSR activities covering details pertaining to CSR Policy developed and implemented by the Company, CSR project undertaken during the year, CSR Committee and meeting details is annexed herewith and marked as **Annexure-1**. Further, in terms of the CSR Rules, the Chief Financial Officer has certified that the funds disbursed have been utilized for the purpose and in the manner approved by the CSR Committee and the Board of Directors of your Company.

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

CUSTOMER RELATIONSHIP MANAGEMENT:

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

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

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

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

Key initiatives were undertaken to enhance Customer Service and Experience:

1. Launch of Conversational AI Platform for Unified Customer Support

To further strengthen service responsiveness and scalability, the Company launched a conversational AI platform designed to simultaneously handle a majority of routine customer queries.

- The platform provides a unified and consistent experience across both chat and voice channels, enabling customers to access information and support seamlessly through their preferred mode of interaction.

- With intelligent intent recognition and automated resolution capabilities, the solution significantly improves turnaround time for customer queries while allowing service agents to focus on more complex cases.

2. Enablement of End-to-End Payment-Related Servicing on Digital Channels

To enhance customer convenience and reduce dependency on assisted channels, the Company enabled comprehensive payment-related servicing on digital platforms such as the mobile application and WhatsApp for selected products.

- Customers can now digitally complete key transactions including loan foreclosure, part payment and payment of overdue EMIs, at anytime and from anywhere.
- This resulted in faster transaction completion, improved transparency of charges and outstanding amounts, and greater control for customers over their loan accounts without the need for branch or call center intervention.

3. Launch of Customer Portal to Strengthen Self-Service Capabilities

As part of its digital self-service strategy, the Company introduced a customer portal as an additional servicing platform alongside the existing mobile app and WhatsApp channel.

- The portal provides access to customers to important loan-related documents such as Statement of Accounts, welcome letter and other communication, ensuring easy availability of information on demand.
- Customers can also initiate and complete payment-related services, thereby improving service accessibility, consistency and continuity across multiple digital touchpoints.

Handling Grievances effectively:

- Prompt acknowledgment to customers via auto E-mail and SMS trigger upon receipt of any complaint.
- A detailed Root Cause Analysis (RCA) carried out for each complaint.
- All critical cases including regulatory escalations are reviewed by Principal Nodal Officer and Chief Compliance Officer.
- Close looping feedback mechanism ensures customers are informed at the time of closure of the Service Request for customer concurrence on the resolution being provided and upon closure in

system the same is backed by an SMS trigger for customers' reference.

- All partially/wholly rejected complaints (subject to exclusions as per regulatory circular) are reviewed by the Internal Ombudsman of the Company and the final decision is communicated to the customer within the regulatory timelines.
- Necessary governance mechanism is in place for any case of violation of Code of Conduct while dealing with customer.

Customer service and grievance redressal:

The customer service and grievance redressal framework is built on a Board-approved policy architecture that aligns with applicable laws and regulations, including the RBI Guidelines on customer service for regulated entities, fair practices, outsourcing of financial services and information security. The framework is designed to provide clear service standards, transparent communication, time-bound resolution of customer issues, and continuous improvement through measurement, governance and root-cause remediation.

The customer service model is omni-channel, supported by relationship teams, branches and a centralized service organization. Customers can access us via branches, a toll-free call center, email, web and mobile portals, chat interfaces and assisted channels. We define turnaround times for key service requests, including onboarding queries, loan servicing, statement and certificate issuance, foreclosure and part-prepayment, refunds and charge reversals, and dispute handling. These service standards are communicated on our website and in customer communications and are periodically reviewed based on customer feedback, operational analytics and regulatory expectations. We provide customers with clear pre and post-disbursement disclosures, including the key fact statement, amortization schedules, applicable fees and charges, and contact points for support and escalation. Our fair practices and responsible lending approach emphasize suitability, transparency of pricing and charges, and non-discriminatory treatment.

Grievance redressal is governed by a documented, Board approved policy and an escalation framework designed to ensure timely, fair and effective resolution of customer complaints. The Company follows a four level escalation matrix, which is communicated to customers through branches, digital channels and the Company's website.

At Level 1, customers may raise concerns by reaching out to the customer service executive through the

branch network, contact centre, email or other digital channels. All complaints are logged in a centralized ticketing system and assigned unique reference numbers, have defined categories and time bound resolution targets in line with the Company's policy.

At Level 2, complaints that remain unresolved or where customers are not satisfied with the resolution at Level 1 may be escalated to the Grievance Redressal Officer for supervisory review and resolution within the prescribed timelines.

At Level 3, customer if not satisfied at Level 2, may further escalate the complaint to the Principal Nodal Officer, who oversees grievance handling across the organization and ensures compliance with regulatory requirements and internal service standards.

At Level 4, if the customer is not satisfied with the resolution provided or if no response is received within 30 (thirty) days of lodging the complaint, customers may escalate the matter to the RBI under the Integrated Ombudsman Scheme. Details of the escalation process, along with contact information of the Grievance Redressal Officer and Principal Nodal Officer, are prominently displayed at branches and on the Company's website.

The Company employs a governance structure that includes a Board-level Customer Service Committee and a management level forum to oversee service quality, complaints, product suitability and customer conduct risk. These bodies review periodic dashboards on complaint volumes, categories, turnaround times, ageing and first-contact resolution, as well as thematic analyses, root-cause trends and action plans. Significant issues, systemic risks and regulatory interactions are reported to the Board with remediation tracking. We also conduct internal audits and process reviews of customer-facing functions, outsourced arrangements and activities, with particular emphasis on sales practices, disclosures, collections conduct and information security.

Technology underpins our service delivery through a unified customer relationship management platform integrated with our loan management systems. This platform enables end to end ticket lifecycle management, knowledge bases for standardized responses, AI assisted triage and prioritization, sentiment analysis and automated notifications. During the year, the Company also launched a conversational AI platform capable of autonomously addressing a significant portion of customer queries, providing a seamless and consistent experience across chat and voice channels. We maintain robust information security and data privacy controls, including role based access, encryption, data retention

and consent management, in line with applicable Indian laws and RBI expectations. Our staffing model includes continuous training and certification on product knowledge, fair practices, grievance handling and vulnerable customer considerations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. Board Composition

The composition of the Board of Directors of the Company is governed by the Act and Regulation 17 of the SEBI Listing Regulations and is in conformity with the same. As on the date of this Report, the Board of Directors comprised a combination of 10 (ten) Directors viz. Mr. Adar Cyrus Poonawalla, Chairman, Non-Executive Director, Mr. Arvind Kapil, Managing Director and Chief Executive Officer, Mr. Sunil Samdani, Executive Director, Mr. Vikas Pandey, Executive Director, Ms. Sonal Modi, Non-Executive Director, and, Mr. Prabhakar Dalal, Mr. Sanjay Kumar, Ms. Kemisha Soni, Mr. Kewal Handa, and Mr. Rajeev Sardana as Non-Executive Independent Directors. The Board mix provides a combination of professionalism, knowledge and experience required in the NBFC sector. The details of skills possessed by each director have been provided in detail in the Corporate Governance report. The terms and conditions of appointment of Independent Directors are available on the website of the Company at <https://poonawallafincorp.com/investor-governance>.

b. Change in composition of the Board during the year:

Appointment/Re-appointment:

The Board of Directors, at its meeting held on January 16, 2026, approved the appointment of Mr. Vikas Pandey (DIN: 11463386) as the Whole Time Director of the Company (also designated as KMP) for a period of 5 (five) years with effect from January 16, 2026 till January 15, 2031. Thereafter, the Members of the Company approved his appointment by postal ballot through remote e-voting on February 19, 2026.

Cessation:

During the year under review Mr. Bontha Prasada Rao (DIN: 01705080), Independent Director, ceased to be the Director of your Company with effect from December 09, 2025, upon completion of his two consecutive terms. The Board and entire



management team acknowledge the invaluable contributions made by Mr. Bontha Prasada Rao, during his tenure as an Independent Director, and place on record their deep appreciation for his guidance, support, and contribution to the Board.

c. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Adar Cyrus Poonawalla, (DIN: 00044815) Chairman, Non-Executive Director will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors of your Company recommends the re-appointment of the Director liable to retire by rotation at the ensuing AGM. Appropriate resolution seeking your approval for the aforesaid re-appointment along with brief profile of the said Director is forming part of the Notice convening the Forty Sixth AGM of your Company.

d. Declaration from Directors:

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

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

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

All members of the Board of Directors and SMP have affirmed compliance with the Code of Conduct for the FY 2025-26.

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

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

During the year under review, separate meetings of the Independent Directors were held on October 15, 2025, and March 27, 2026.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

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

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

e. Fit and Proper Policy:

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

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed in Chapter IV of Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025 and that they are not disqualified from being appointed/continuing as directors in terms of Section 164(2) of the Act. The prescribed declarations/undertakings given

by the Directors were placed before the NRC for its review and noting.

f. Familiarization Programme for Independent Directors:

In compliance with the requirement of Regulation 25 of SEBI Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them about the Company and their roles, rights and responsibilities in the Company. The details of the familiarization programme along with the number of hours spent by each of the Independent Directors during the FY2025-26 are explained in the Corporate Governance Report. The same is also available on the website of the Company at <https://poonawallafincorp.com/documents/20121/0/Familiarization-program-FY25-26+%281%29.pdf/da464113-946c-af95-e0f4-1e14637b425c>

g. Performance Evaluation:

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

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

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

were intended to obtain Directors' input on the effectiveness of Board/Committee processes.

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

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

h. Outcome of evaluation process:

Based on inputs received from the Board members, it emerged that the overall performance evaluation of the Board, composition, and quality, understanding of the business including risks, process and procedures, oversight of financial reporting process including internal controls and audit functions, ethics and compliances and monitoring activities, has been found to be reasonably good. Similarly, the effectiveness of the Board committees have been rated high. The committees of the Board function effectively. Sufficient time is allotted for discussion of the agendas. Contrary views were also encouraged and the same were viewed in the right perspective. The performance of the Chairman of the Company has been found to be excellent. Overall, the Board is functioning very well in a cohesive and interactive manner. Last year the recommendations of Independent Directors and Board on performance evaluation were largely implemented.

i. Remuneration Policy:

The Remuneration Policy for Directors, KMP, SMP and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMPs, SMPs and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company. The salient features of the Remuneration Policy are stated in the Corporate Governance Report. The Remuneration Policy

of the Company is available on the Company's website at <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>. The remuneration details of Directors and KMPs are provided in the Corporate Governance Report.

j. Compensation Policy:

In accordance with the applicable guidelines issued by the RBI, the Company has adopted a Compensation Policy applicable to all employees. The Policy is designed to ensure that compensation practices are aligned with the Company's core value, strategic business goals risk framework, and regulatory expectations.

k. Code of Conduct for Directors and Employees:

The Company has adopted a Code of Conduct for its Directors and employees including a Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Act. The said Codes can be accessed on the Company's website at <https://poonawallafincorp.com/documents/20121/0/1.+PFL-Code+for+Independent+Directors-Version+No.7+%281%29.pdf/4a547586-aacd-c48e-d87d-2ec572df77fb>

In terms of the SEBI Listing Regulations, all Directors and SMP have affirmed compliance with their respective Codes. The Managing Director and Chief Executive Officer have also confirmed and certified the same, for which certification is provided at the end of the Report on Corporate Governance.

l. Key Managerial Personnel:

In terms of Section 203 of the Act, the following are the KMP of the Company as on the date of this report:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts for the year ended March 31, 2026, the applicable Ind AS have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies as mentioned in Notes to the annual accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper internal financial controls are in place and that the financial controls are adequate and are operating effectively; and
- f. that proper systems to ensure compliance with the provisions of all applicable laws are in place and that such systems are adequate and operating effectively.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS:

Number of Meetings of the Board:

During the year under review, 4 (Four) Board meetings were held, the details of which are given in the Corporate Governance Report. The maximum interval between any 2 (two) consecutive meetings did not exceed 120 days, as prescribed by the Act and the SEBI Listing Regulations.

Committees of the Board of Directors:

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

Audit Committee

The ACB presently comprises of Mr. Kewal Handa who serves as the Chairman of the committee and Ms. Sonal Modi, Mr. Prabhakar Dalal, Mr. Sanjay Kumar, and Ms. Kemisha Soni as other members. 4 (Four) meetings were held during the year under review, details of which and terms of reference for the ACB have been furnished in the Corporate Governance Report. All the recommendations made by the ACB during the year were accepted by the Board.

Nomination and Remuneration Committee

The NRC presently comprises of Mr. Prabhakar Dalal who serves as the Chairman of the committee, Mr. Kewal Handa, Mr. Rajeev Sardana, and Ms. Sonal Modi as other members. The terms of reference of the NRC and details of NRC meetings and attendance thereof have been furnished in the Corporate Governance Report.

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has in place a Policy on Related Party Transactions and the same can be accessed on the

Company's website at https://poonawallafincorp.com/documents/20121/0/3.+Policy+for+Related+Party+Transactions_Clean+Version+No.+8.pdf/1c289655-513f-f60d-cb8f-5b6fb35196c6.

All transactions with related parties are placed before the ACB for approval. All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business, the particulars of such transactions are disclosed in the notes to the financial statements. During the year under review, there were no materially significant related party transactions. Disclosures of related party transactions of the Company with the promoter/promoter group, which holds 10% or more shareholding in the Company, if any, are given in note to the standalone financial statements.

None of the related party transactions entered into by the Company during FY 2025-26 attracted the provisions of Section 188(1) of the Act. Accordingly, disclosure in e-Form No. AOC-2 pursuant to Section 134(3)(h) of the Act is not applicable to the Company. e-Form No. AOC-2 is attached to this Report as **Annexure-2**.

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

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

STATUTORY AUDITORS:

Based on the recommendation of the ACB and the Board, the Members of the Company, at the 44th AGM held on July 23, 2024, approved the appointment of M S K A & Associates LLP (formerly known as M S K A & Associates)(Firm Registration No. 105047W/W101187), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the 44th AGM until the conclusion of the 47th AGM of the Company.

In terms of the RBI Circular No. RBI/2021-22/25 Ref. No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, on Guidelines for Appointment of Statutory Central Auditors ("SCAs")/Statutory Auditors ("SAs") of Commercial Banks (excluding Regional Rural Banks), Urban Co-operative Banks ("UCBs") and Non-Banking Financial Companies ("NBFCs") (including Housing Finance Companies) ("RBI Guidelines"), the statutory audit of the entities having asset size of ₹ 15,000 crore and above as at

the end of previous year, should be conducted under the joint audit of a minimum of two audit firms, and in accordance with the requirements of Section 139 of the Act, read with Rules made thereunder, MSKA & Associates LLP, Chartered Accountants and Kirtane & Pandit LLP, Chartered Accountants, act as the Joint Statutory Auditors of the Company.

The terms of appointment of Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No.105215W/W100057) as one of the Company's Joint Statutory Auditors expire at the conclusion of the 46th (Forty Sixth) AGM of the Company.

In view of the same, based on the recommendation of the ACB, the Board at its meeting held on May 05, 2026, recommended the appointment of B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), as Joint Statutory Auditors of the Company, to hold office from the conclusion of the 46th (Forty Sixth) AGM until the conclusion of the 49th (Forty Ninth) AGM of the Company, subject to the approval of the Members at the ensuing AGM.

B.K.Khare&Co.,CharteredAccountants,isprofessional services firm in the field of Assurance, Direct Tax, Transfer Pricing, Indirect Tax and Risk Advisory. The firm has twenty Partners and 150+ associates. The firm operates from Mumbai, Pune, Bangalore, Delhi and Chennai, and have associates in all major cities in India. The firm has rich experience for over 6 decades in sectors like NBFC, Banking, Insurance, Mutual Funds, Automobile & Auto component, Real Estate, Engineering, IT & Software and Oil & Gas. Established in 1955 by Late Mr. B. K. Khare, a statesman in the Indian accounting and tax profession, B.K. Khare & Co. has grown to become a prestigious firm.

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

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

There are no qualifications, reservations or adverse remarks or disclaimers made by M S K A & Associates LLP, Chartered Accountants, and Kirtane & Pandit LLP, Chartered Accountants, Joint Statutory Auditors, in their reports dated May 05, 2026, on the Financial Statements of the Company for FY 2025-26.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the shareholders of the Company at the 45th AGM approved the appointment of SIUT & Co LLP, Company Secretaries (Firm Registration No. L2021MH011500) to conduct the Secretarial Audit for a period of 5 (five) years from FY 2025-26 till and including FY 2029-30.

The Secretarial Audit Report for the FY 2025-26 confirms that the Company has complied with the provisions of the Act, the rules thereunder, SEBI Listing Regulations and Guidelines and that the report does not contain any qualification, reservation, adverse remark, or disclaimer. The Secretarial Audit Report in the format given in Form No. MR-3, for the financial year ended March 31, 2026, is annexed herewith and marked as an **Annexure-3**.

COST AUDITORS:

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

SECRETARIAL STANDARDS:

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively, have been duly complied by your Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

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

The BRSR provides an avenue for disclosing an overview of the entity's material ESG risks

and opportunities, goals and targets related to sustainability and performance against them. As per Regulation 34 of the SEBI Listing Regulations, BRSR for FY 2025-26 forms part of this Report.

RBI GUIDELINES:

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15% on a standalone basis, the CRAR as of March 31, 2026, was 16.83%.

In line with the RBI guidelines for ALM system for NBFCs, the Company has an ALCO, which meets quarterly to review its ALM risks and opportunities. The primary goal of ALM is to effectively manage risks such as liquidity risk and interest rate risk within the broader risk management framework, which incorporates both internal limits and regulatory tolerance thresholds. The ALM policy aims to establish a comprehensive framework and define early warning signals for both short-term and long-term actions to be taken.

The RBI has implemented the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 wherein Chapter III - Liquidity Coverage Ratio ("LCR") therein is applicable to NBFCs except ("LRM Framework"). Under this LRM Framework, all non-deposit taking NBFCs with an asset size below ₹ 5,000 Crore. The LCR is a measure of an entity's stock of high quality liquid assets divided by its total net cash outflows over the next 30 (thirty) calendar days. As at March 31, 2026, the LCR of the Company was 181% well above the regulatory limits, reflecting strong liquidity position and balance sheet resilience.

The Company continues to be in compliance with the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025.

CORPORATE GOVERNANCE:

Our Board presently consists of 10 (ten) Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of five Independent Directors. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and Committees thereof. The corporate governance

framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board Committees, as required under law. Our Board has been constituted in compliance with the Companies Act, 2013, and the SEBI Listing Regulations. Our Board functions either as a full Board or through various Committees constituted to oversee specific functions. Our Company's executive management provides our Board with presentations on its performance periodically.

The Company is committed to achieving and adhering to the highest standard of Corporate Governance. It believes in and practices good corporate governance. The Company maintains transparency and also enhances corporate accountability. In terms of Regulation 34 read with Schedule V of SEBI Listing Regulations the following forms part of this Report and as required under the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, forms part of this Annual Report. Further, the additional disclosure requirements for NBFCs in accordance with the aforesaid RBI Directions forms part of the Corporate Governance Report.:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy:

The operations of the Company are not energy intensive. The Company implements various energy conservation measures across all its functions, which are highlighted in the BRSR which is annexed to this Report.

Steps taken/impact on conservation of energy:

The Company has undertaken multiple initiatives to drive energy efficiency across its operations. Inverter air conditioners have been installed across 257 new operational branches (~950 units with a total tonnage of 1281 TR). This transition from conventional ACs has resulted in an estimated savings of ~5.05 lakh units of electricity, translating to cost savings and a reduction of ~354 tonnes of CO₂ emissions in a year.

Additionally, the Company has initiated installation of LED lights in new and upcoming branches. Installation of LED lights across new branches (4,158 units of 15W, 20W and 36W) has led to cost savings and a reduction of ~267.92 tonnes of CO₂ emissions in a year.

Steps taken for utilising alternate sources of energy:

The adoption of green sourced energy at the corporate office reflects the Company's commitment towards alternative and sustainable energy sources.

Capital investment in energy conservation equipment:

The Company has invested approximately net cost of ₹ 12.57 Lakh in energy-efficient inverter air conditioning units and ₹ 10.55 Lakh in LED lighting systems.

Technology Absorption:

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

Foreign Exchange Earnings and Outgo:

During FY 2025-26, there were no foreign exchange earnings (previous year: NIL) and the foreign exchange outgo in terms of actual outflow amounted to ₹ 7.71 Crore (previous year: ₹ 3.71 Crore).

OTHER DISCLOSURES:

- a. During the year, there was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 and any one-time settlement with any bank or financial institution during the year under review and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
- b. The Company has not defaulted in repayment of loans from banks and financial institutions;
- c. There were no delays or defaults in payment of interest/principal of any of its debt securities;
- d. There was no raising of funds through rights issue.
- e. The Company has not entered into any agreements as required to be disclosed under Clause 5A of Paragraph A of Part A of Schedule III of SEBI Listing Regulations.
- f. Disclosures pursuant to Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, unless provided in the Board's Report, form part of the notes to the standalone financial statements;

ANNUAL RETURN:

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

In terms of the second proviso to Section 136(1) of the Act, the Report is being sent to all Members, excluding the statement with respect to employees employed throughout the year and employees

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

TRANSFER WOF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Section 124(5) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time ("IEPF Rules") relevant amount, which remained unpaid or unclaimed for a period of 7 (seven) years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF"). During the year under review, your Company has transferred ₹ 3,09,720/- (Rupees Three Lakh Nine Thousand Seven Hundred and Twenty Only) to IEPF Authority.

Pursuant to Section 124 (6) of the Act and read with Rule 6 of IEPF Rules, all the underlying shares in respect of which dividends are not claimed/paid for the last seven consecutive years, or more are liable to get transferred to the IEPF Authority. Accordingly, during the year under review 20,622 equity shares of face value of ₹ 2/- each were transferred to IEPF Authority.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company and also the details of equity shares transferred to IEPF Authority on the Company's website <https://poonawallafincorp.com/investor-info> and also on the MCA's website (www.mca.gov.in).

FRAUD MONITORING AND REPORTING:

A dedicated Fraud Control Unit and fraud risk framework deploys real-time analytics, anomaly detection, and coordinated investigations, with oversight by Committee of the Executives (COE) constituted in accordance with the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by RBI and the ACB. The COE meets on a quarterly basis, and details of their meetings and terms of reference are set out in the Corporate Governance Report.

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

APPRECIATION:

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

For and on behalf of the Board

Arvind Kapil Managing Director & Chief Executive Officer DIN: 10429289	Sunil Samdani Executive Director DIN: 10301175
Place: Mumbai Date: May 05, 2026	Mumbai Date: May 05, 2026

Annual Report on CSR Activities for Financial Year 2025-26

ANNEXURE 1

1. BRIEF OUTLINE OF THE CSR POLICY OF THE COMPANY

(i) Policy Overview & objectives :

The Company looks forward to making a positive difference in the society. The Company firmly believes that it has commitment towards all its stakeholders – customers, employees, and the community in which it operates, and it can fulfil this commitment only by sustainable and inclusive growth. The Company aims to improve the quality of life through its positive intervention in the community. The Company's key CSR initiatives are undertaken with a long-term view and therefore, initiatives that are sustainable and that have long-term benefits to society at large are given priority.

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

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Companies Act, 2013.

(ii) Key Focus Areas:

The scope of activities which the Company will usually undertake towards fulfillment of its CSR shall be in line with Schedule VII of the Companies Act, 2013.

Promoting Education Development

Initiatives focused on women & child health, education, skill development, livelihoods enhancement for underprivileged.

Promoting health care including preventive health care

The Company supports health and well-being through nutritional assistance, food and grocery distribution, meal drives, health check-up camps, and awareness on hygiene, sanitation, and balanced diets.

Breakthrough Research Initiative is a strategic initiative aimed at fostering high-impact, frontier scientific research by empowering top faculty members with world-class resources, infrastructure, and support systems. One of the key verticals of the Breakthrough Research is Life Sciences & Bioengineering, with a special emphasis on next-generation therapeutics and affordable drug discovery. The Company supported the Breakthrough research in Life Sciences & Bioengineering.

(iii) CSR Programmes/Implementing Agencies

During the year under review, the Company has undertaken the CSR projects and programmes through following implementing agencies:

A. Angel Charitable Trust:

angel Charitable Trust is committed to serving the underprivileged by providing support in education, healthcare and livelihood. Trust work tirelessly to uplift communities, empower women and children and create sustainable solutions. The Company's CSR obligations spent on the following activities undertaken in Ahmedabad District, State of Gujarat:

- **Education & Literacy:** Promoting education, including special education and employment enhancing vocational skills, especially among children, women, elderly, and the differently abled.
- **Skill Development & Livelihood:** The initiative included activities such as distribution of educational materials, provision of scholarships, digital literacy training, and vocational skill development programmes tailored to local needs. Special emphasis was placed on inclusive education and

capacity building to enable sustainable livelihood opportunities.

- **Women Empowerment:** The programme aimed to enhance the socioeconomic status of women by providing skill development training, livelihood opportunities, and awareness on health, education, and financial literacy. Key activities included vocational training programmes, capacity-building workshops, and support for self-employment initiatives to enable women to become financially independent.

Additionally, the initiative emphasized reducing inequalities by supporting vulnerable groups through community engagement, awareness campaigns, and access to essential resources. Efforts were also made to create a safe and supportive environment for women through various outreach and support programmes.

- **Healthcare and Nutrition:** The programme aimed to improve the overall health and well-being of underserved communities through initiatives such as distribution of nutritious food, organization of health check-up camps, and awareness programmes on hygiene and sanitation. Efforts were made to address malnutrition among children and women by providing essential nutritional support and education on balanced diets.
- **Impact:** The aforesaid programmes enhanced learning outcomes, employability, women's empowerment, promoting better health & nutritional outcomes for underprivileged and underserved communities.

B. Green Helping Foundation:

Green Helping Foundation Trust works to uplift under-privileged communities through initiatives in education & literacy, health & family welfare, microfinance & SHGs, women's development & empowerment, and skill development training across

underserved regions of Surat and Tapi districts in Gujarat. Trust is directed at supplementing governmental effort with community-driven programming that addresses poverty, lack of education, unemployment and inadequate healthcare. The Company's CSR obligations spent on the following activities undertaken in the State of Gujarat:

- **Promoting Education:** The programme focused on strengthening educational outcomes through the provision of learning resources and digital support, including Distribution of school supplies, textbooks, and educational materials to students. Encouraging students through academic support initiatives and access to modern learning tools. Providing school support including distribution of educational materials and learning aids. Conducting community-based educational programmes to promote learning and awareness.
- **Impact:** These initiatives were aimed at strengthening community-level education, increasing school participation, and promoting inclusive and equitable learning opportunities.
- **Eradicating Hunger, Poverty & Malnutrition:** The programme aimed at supporting underprivileged communities through distribution of food packets and essential groceries to economically weaker sections. Supporting community welfare through meal drives and basic sustenance initiatives.
- **Impact:** These efforts were directed towards improving nutritional standards and reducing hunger in the identified region.

C. Indian Institute of Technology Bombay :

IIT Bombay is an autonomous institute and a deemed university, established in 1958. Research and Development (R&D) at IIT Bombay has evolved and flourished over the decades. The synergy between



academics and research has catapulted the Institute into the illustrious circle of world-class institutions. Apart from offering viable solutions to various government sectors, industry, and to society, IIT Bombay pursues foundational research leading to knowledge generation that lays the foundation for empowering India as a nation to be technologically confident and self-reliant. The Institute continues to strive for excellence in its core activities of teaching and research in a milieu of change. The Company's CSR obligations spent on the following research programme:

- Breakthrough Research programme:** The IIT Bombay Breakthrough Research Initiative is a strategic initiative aimed at fostering high-impact, frontier scientific research by empowering top faculty members with world-class resources, infrastructure, and support systems. One of the key verticals of the Breakthrough Research is Life Sciences & Bioengineering, with a special emphasis on next-generation therapeutics and affordable drug discovery. The Company supported the Breakthrough research in Life Sciences & Bioengineering.

Impact: The Company's support will strengthen long-term research depth and excellence, placing India on a credible ascent toward scientific breakthroughs on next-generation therapeutics and affordable drug discovery. The initiative seeks to identify, nurture, and enable a cohort of exceptional researchers who have the potential to produce transformative scientific discoveries and deep-tech innovations.

2. COMPOSITION OF CSR COMMITTEE AS ON 31.03.2026:

Sl. No.	Name of the Directors	Category	CSR Committee meetings held on 23.04.2025 & 16.02.2026 during the year under review	Number of CSR Committee meetings attended
1	Ms. Kemisha Soni	Chairperson, Independent, Non-Executive Director	2	2
2	Mr. Sunil Samdani	Executive Director	2	2
3	Ms. Sonal Modi	Non-Executive Director	2	2
4	Mr. Prabhakar Dalal	Independent, Non-Executive Director	2	2

Note: Mr. Vikas Pandey was appointed as a member in Committee on May 05, 2026.

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

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

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

CSR projects: [Corporate Social Responsibility \(CSR\) Activities by the Company](#)

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

5. a) Average net profit of the Company as per Section 135(5): ₹ 327.70 Crore
- b) Two percent of average net profit of the Company as per Section 135(5): ₹ 6.56 Crore
- c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL
- d) #Amount required to be set off for the financial year, if any: ₹ 0.05 Crore
- e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)]: ₹ 6.56 Crore

#Pursuant to Rule 7(3) of the Companies (CSR Policy) Rules, 2014, the Company is entitled to set off excess CSR expenditure incurred during the immediately preceding three financial years. The Company had voluntarily spent ₹ 0.05 crore in excess during FY 2024-25, which was eligible for set-off in FY 2025-26. During FY 2025-26, the Company incurred total CSR expenditure of ₹ 6.56 crore; however, the eligible set-off amount was not availed during the year.

6. a. Amount spent on CSR projects: ₹ 6.56 Crore
- b. Amount spent in Administrative Overheads: NIL
- c. Amount spent on Impact Assessment, if applicable: NA
- d. Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 6.56 Crore
- e. CSR amount spent or unspent for the Financial Year:

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

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

Sl. No	Particular	Amount (in ₹ Crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135 of the Act	6.56
(ii)	Total amount spent for the Financial Year	6.56
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

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

1	2	3	4	5	6			7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) of the Act (in ₹ Crs)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 of the Act (in ₹ Crs)	Amount spent in the reporting Financial Year (in ₹ Crs)	Amount transferred to any fund specified under Schedule VII as per section 135(6) of the Act, if any			Amount remaining to be spent in the succeeding financial years (in ₹ Crs)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
1	2022-23	NA	2.69	2.69	-	-	-	NIL	N.A.
2	2023- 24	NA							
3	2024-25	N.A.							

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CSR AMOUNT SPENT IN THE FINANCIAL YEAR: YES

If Yes, details need to provide in below format

SL. 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		
1	2	3	4	5	6	7	8
					CSR Registration Number, if applicable	Name	Registered address
1	Julabo FT903 Immersion Cooler	400076	17.02.2026	9,89,491	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
2	Photoreaction Light with Variable Tunabl	400076	17.02.2026	9,97,185	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076

FORM NO. AOC -2

ANNEXURE 2

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

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

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

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

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

For and on behalf of the Board

Arvind Kapil
Managing Director & Chief Executive Officer
DIN: 10429289

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: May 05, 2026

Mumbai
Date: May 05, 2026

SL. 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		
1	2	3	4	5	6	7	8
3	Photoreaction Led With Customize Wavelen	400076	17.02.2026	9,63,088	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
4	Kessil Photoreaction Light PR160L-440	400076	17.02.2026	84,866	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
5	Julabo FT903 Immersion Cooler	400076	10.03.2026	9,89,491	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
6	IKA Electrasyn 2.0 Package And IKA Carousel Complete	400076	28.02.2026	9,98,170	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
7	Pinched Tube Reactor And Microflo Reactor	400076	23.02.2026	4,90,880	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
8	Julabo FT903 Immersion Cooler	400076	23.02.2026	9,89,491	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
9	Superdex 200 Increase 10/300 GI And Superdex 75 Increase 10/300 GI	400076	02.03.2026	9,99,460	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
10	Inlet Valve Kit (V9-lab), Outlet Valve Kit (V9-0S, 1-Outlet), Unicorn 7 Academia And Computer As Local Supply	400076	04.03.2026	9,99,460	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
11	1 Position Column Valve, Sample Loop 100 MI, Sample Loop 500 MI And Sample Loop 1MI	400076	04.03.2026	4,98,551	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
12	Protein Purification System	400076	04.03.2026	24,98,060	CSR00007536	Indian Institute of Technology Bombay	Indian Institute of Technology Bombay, Powai, Mumbai 400 076
Total				1,14,98,194			

9. Specify the reason(s), if the Company has failed to spend 2 (two) per cent of the average net profit as per Section 135(5) of the Act: Not Applicable

For and on behalf of the Board

Arvind Kapil
Managing Director and Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: May 05, 2026

Kemisha Soni
Chairperson of CSR Committee
DIN: 06805708

Place: Indore
Date: May 05, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31.03.2026

ANNEXURE 3

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

To,
The Members,
Poonawalla Fincorp Limited
201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036

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

Based on our verification of the POONAWALLA FINCORP LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2026 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2026 according to the provisions of:

- (i)

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

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

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

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

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

- (a)

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

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

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

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e)

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

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

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

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

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

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

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

- (i)

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

- (ii)

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

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except there were some instances of delays in Filing of Forms with Ministry of Corporate Affairs (MCA) and one day delay in filing the in-principle application to the stock exchange under Regulation 160 (f) of SEBI ICDR due to technical issues encountered. In this regard NSE had issued Advisory Letter to place the letter before ensuing Board meeting and the Company had placed the same in Board Meeting held on October 17, 2025.

We further report that:

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

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

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

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

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

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

1.

Allotment of 16,55,156 Equity Shares of face value of ₹ 2/- each pursuant to exercise of stock options under the various schemes of Employee Stock Options of the Company.
2.

Approved to issue and offer 3,31,48,102 equity shares face value of ₹ 2/- each at a price of ₹ 452.51/- on Preferential basis to Rising Sun Holdings Private Limited on July 25, 2025 which was approved by shareholders through a postal ballot on August 24, 2025 and allotted on September 17, 2025.
3.

Approved raising of funds by way of issuance of equity shares of the Company through qualified institutions placement and/or through any other permissible mode for an aggregating amount not exceeding ₹ 5,500 Crores on January 16, 2026 which was approved by shareholders on February 19, 2026.

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

Name: **CS I U Thakur**
Partner
FCS: 2298
CP: 1402
UDIN: F002298H000278255
Peer Review Certificate No.: 5460/2024

Date: May 05, 2026
Place: Pune

Annexure 4 to Board's 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 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2025-26, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2025-26 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl No.	Name of Director/KMP	Designation	% increase in Remuneration in FY2025-26	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Adar Cyrus Poonawalla (Refer note 3 & 4)	Chairman, Non Executive Director	(50)	0.51
2.	Arvind Kapil ¹	Managing Director and Chief Executive Officer	43	126.58
3.	Sunil Samdani (Refer note 9)	Executive Director	8	68.24
4.	Vikas Pandey	Executive Director	Refer note 7	6.46
5.	Sonal Modi ²	Non Executive Director	Refer note 5	11.39
6.	Bontha Prasada Rao	Non Executive Independent Director	Refer note 8	6.08
7.	Prabhakar Dalal (Refer note 4 & 5)	Non Executive Independent Director	(9)	9.62
8.	Sanjay Kumar (Refer note 4 & 5)	Non Executive Independent Director	(8)	8.99
9.	Kemisha Soni (Refer note 4 & 5)	Non Executive Independent Director	4	9.75
10.	Kewal Handa ³	Non Executive Independent Director	Refer note 5	8.23
11.	Rajeev Sardana ⁴	Non Executive Independent Director	Refer note 5	8.48
12.	Sanjay Miranka (Refer note 9)	Chief Financial Officer	15	51.73
13.	Shabnum Zaman (Refer note 9)	Company Secretary	104	15.98

¹Appointed on the Board w.e.f. June 10, 2024.

²Appointed on the Board w.e.f. August 16, 2024

³Appointed on the Board w.e.f. October 01, 2024.

⁴Appointed on the Board w.e.f. December 18, 2024.

Note:

- All Amounts are round off.
- The remuneration includes fixed pay, variable pay paid during the year and perquisite value as calculated under the Income Tax Act, 1961.
- The remuneration for Chairman includes sittng fees only.
- The variation reflected in column % change in remuneration in FY2026 is on account of number of Board/ Committee meetings, attendance of directors thereat and change in Committee positions.
- Percentage increase / decrease in remuneration has been given for directors who were on the Board of the Company for the entire FY 2024-25 and FY 2025-26, in the same capacity.
- The remuneration includes sitting fees and commission for the Non Executive Directors including Independent Directors.
- Not comparable since Mr. Vikas Pandey has been appointed as an Executive Director of the Company w.e.f. January 16, 2026.
- Not comparable since Mr. Bontha Prasada Rao, Independent Director, ceased to be the director of your Company w.e.f. December 09, 2025, upon completion of his two consecutive terms.
- The remuneration includes Share Based Payment. While % increase in remuneration is exclusive of perquisite value of ESOPs exercised.

Note on Disclosures under Rule 5:

- The median remuneration of employees of the Company during the financial year was ₹ 7.90 Lakh.
- In the financial year, there was an increase/(decrease) of (10.23%) in the median remuneration of employees. The reason being majority hiring was done for front line sales and junior enabling function roles.
- There were 5860 permanent employees on the rolls of Company as on 31 March 2026.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2025-26 was 8.56% whereas the increase in the managerial remuneration for the same financial year was 33%.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

For and on behalf of the Board

Arvind Kapil
Managing Director & Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: May 05, 2026

Sunil Samdani
Executive Director
DIN: 10301175

Mumbai
Date: May 05, 2026

‘ANNEXURE’

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

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

- 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.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Name: **CS I U Thakur**
Partner
FCS: 2298
CP: 1402
UDIN: F002298H000278255
Peer Review Certificate No.: 5460/2024

Date: May 05, 2026
Place: Pune

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economy remained resilient in 2025 despite evolving uncertainty and macro economic volatility. Key challenges included uncertainties surrounding the impacts of tariffs on global growth. However, the effects remained contained, largely due to the agility and responsiveness of fiscal policies and the private sector, which adapted by rapidly and effectively adjusting supply chains and trade flows to mitigate the disruptions.

The front-loading of imports in the first half of the calendar year, coupled with the rapid reconfiguration of supply chains helped minimise disruptions. Moreover, the restraint exhibited by the rest of the world in maintaining an open trading system despite the imposition of tariffs, played a crucial role in averting a more pronounced economic downturn. Consequently, global growth is estimated at 3.4%¹ in 2025.

Larger than anticipated investments in AI and allied sectors surged to unprecedented levels, creating strong global spillover benefits and cushioning economies against headwinds from higher US tariffs.

A defining feature of 2025 was the divergence between advanced and emerging economies. Advanced economies grew at a subdued pace of 1.9%¹, weighed down by weak manufacturing activity, tighter credit conditions, and slower consumer demand. In contrast, emerging markets and developing economies maintained stronger momentum, expanding at 4.4%¹, supported by domestic demand, improving labour markets, and relatively resilient financial systems. Countries like India and parts of Southeast Asia continued to act as global growth engines. However, global trade growth remained at 5.1%¹, reflecting supply chain realignments, rising protectionism and a shift toward regionalisation. According to insights from the Press Information Bureau and policy commentary aligned with the Reserve Bank of India, these trends have also influenced capital flows and external sector dynamics for emerging economies, including India.

From a macro-financial standpoint, elevated global debt levels continued to pose structural risks.

The International Monetary Fund (IMF) estimates that global public debt remained above 90%¹ of GDP, limiting fiscal space for many governments, especially in advanced economies. At the same time, tighter global liquidity conditions and higher borrowing costs increased vulnerabilities in highly leveraged sectors and emerging markets with external financing needs. Commodity markets remained volatile, particularly crude oil, where geopolitical developments caused intermittent price spikes, adding to inflationary pressures and impacting current account balances globally. Despite these headwinds, financial systems remained broadly stable, supported by strong bank capitalisation and regulatory oversight in major economies.

These global trends influence capital flows, funding costs, and risk appetite in emerging markets, including India.

Outlook

As 2026 commenced, this resilience came under strain from escalating geopolitical tensions in West Asia. Disruptions to critical energy infrastructure and a near halt in shipments through the Strait of Hormuz constrained the global flow of crude oil, petroleum products, and liquefied natural gas. This triggered sharp increases in energy prices, accompanied by heightened volatility driven by uncertainty over the duration and impact of the conflict, while also posing broader risks to global supply chains.

Assuming a relatively short-lived conflict, the IMF projects global growth to moderate to 3.1%¹ in 2026 and 3.2%¹ in 2027. However, this masks significant divergence across regions. Lower-income, commodity-importing economies are likely to be disproportionately affected by elevated energy and food prices, as well as currency depreciation. Advanced economies are expected to grow at 1.8%¹ in 2026, with the U.S. leading at 2.3%¹. Growth in the euro area is projected to ease from 1.4%¹ in 2025 to 1.1%¹ in 2026, before inching up to 1.2%¹ in 2027. Emerging market and developing economies may see growth moderate to 3.9%¹, with China expanding at 4.4%¹. In the Middle East and Central Asia, growth is expected to decline sharply from 3.6%¹ in 2025 to 1.9%¹ in 2026, before rebounding to 4.6%¹ in 2027 as the region absorbs the immediate impact of the conflict and subsequently recovers.

Global inflation is expected to temporarily stall its downward trajectory, rising from 4.1%¹ in 2025 to 4.4%¹ in 2026, before easing to 3.7%¹ in 2027.

Overall, risks remain skewed to the downside. While growth could surprise on the upside if tailwinds such as AI-led investment remain stronger than anticipated or financial conditions stay supportive, these benefits may prove transitory. These are likely to be outweighed by downside risks stemming from the ongoing conflict. Over the medium-term, risks remain elevated, including potential resource misallocation driven by AI exuberance and the persistence of policies that could exacerbate real, fiscal, and financial vulnerabilities, potentially amplified through financial market channels¹.

Indian Economy

India's economy in FY26 remained one of the fastest-growing among major global economies despite external challenges. The growth was supported by robust domestic demand, sustained government capital expenditure, and macroeconomic stability. The economy is estimated to grow by 7.7%² in FY26 against 7.1%² in FY25². High-frequency indicators, including GST collections (averaging ₹ 1.7-1.8 Lakh Crore per month) and e-way bill generation reflected sustained economic activity and formalisation.

7.7%
GDP growth for FY26

Among major emerging market and developing economies (EMDEs), India has recorded one of the sharpest declines in headline inflation. Over the past four years, average retail inflation, as measured by CPI, has followed a clear downward trajectory, declining from 6.7%² in FY23 to 3.40%² up to March 2026. Inflation eased further to 0.3%² in October 2025, marking the lowest level recorded in the current CPI series.

The Reserve Bank of India initiated a monetary easing cycle in 2025 through calibrated repo rate cuts to support economic growth. A 25-basis-point reduction in February 2025 brought the repo rate down to 6.25%³, followed by another 25-bps cut in April 2025, along with a shift in the policy stance from 'neutral' to 'accommodative'. In June 2025, the central bank accelerated its easing measures with a 50-bps

cut and a return to a 'neutral' stance, followed by a further 25-bps reduction in December, bringing the repo rate to 5.25%. In April 2026⁴, the Monetary Policy Committee (MPC) kept the repo rate unchanged at 5.25% and maintained a 'neutral' stance, in line with market expectations. The prevailing rate environment is expected to support economic activity by enabling banks to sustain lending rates, thereby encouraging borrowing and consumption.

From a sectoral perspective, services continued to be the primary growth driver, while manufacturing showed gradual improvement supported by Production-Linked Incentive (PLI) schemes and supply chain diversification. Investment activity remained strong, with gross fixed capital formation contributing significantly to GDP growth. Fiscal consolidation also progressed steadily, with the fiscal deficit budgeted 4.4%² of GDP in FY26, reflecting a balance between growth support and fiscal prudence. FY26 was characterised by resilient growth, macroeconomic stability, controlled inflation, and strong policy support, positioning India as a key driver of global economic expansion despite external headwinds.

This macroeconomic environment continues to support credit growth across retail and MSME segments.

Accelerating growth

The Government of India continues to advance its growth agenda through the Union Budget 2026-27, guided by three core *kartavyas*. The first focuses on accelerating and sustaining economic growth by enhancing productivity, strengthening competitiveness, and building resilience amid global uncertainties. The second aims to fulfil the aspirations of citizens by empowering them and building their capabilities as active partners in the nation's progress. The third, aligned with the vision of *Sabka Saath, Sabka Vikas*, seeks to ensure inclusive access to opportunities, resources, and essential services across all segments of society. Reinforcing this commitment, public infrastructure expenditure has been increased to ₹ 12.2 Lakh Crore² in FY27, (~4.4% of GDP) reflecting the government's continued emphasis on infrastructure-led growth and its catalytic role in crowding in private investment.

Source:

¹IMF

Sources:

¹IMF ³RBI

²PIB ⁴PRS

MANAGEMENT DISCUSSION AND ANALYSIS

Key government measures driving India's economic growth

GST reforms

A comprehensive GST overhaul was undertaken during FY26 to simplify the tax structure and reduce rates on essential goods, thereby supporting consumer spending and economic growth. As part of the “GST 2.0” reforms, the earlier multi-tier tax structure was streamlined into a simplified regime with two principal tax slabs of 5% and 18%, along with a higher rate of 40% for sin and luxury goods, replacing the earlier 12% and 28% categories. In a further measure aimed at enhancing affordability and strengthening social protection, the GST rate on health insurance was reduced from 18% to nil, lowering the cost burden on consumers and encouraging greater insurance penetration. The move towards a more streamlined and predictable GST regime is also expected to enhance investor confidence and attract foreign investment. Overall, these reforms represent a positive step forward and are likely to deliver meaningful economic benefits in the years ahead.

Pradhan Mantri Awas Yojana (PMAY)

The Pradhan Mantri Awas Yojana targets “Housing for All,” with 49.5 Million rural homes planned by 2029, while PMAY-U 2.0 aims to support 10 Million eligible urban poor and middle-class families over the 2024-2029 period. Eligible families receive financial assistance of up to ₹ 0.25 Million in

urban areas and up to ₹ 0.12 Million in rural areas (0.13 Million in hilly/NE Regions), along with concessional loans and support for amenities such as toilets and LPG connections.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The Pradhan Mantri Jan Dhan Yojana advances universal financial inclusion, aligned with the United Nations Sustainable Development Goals on poverty reduction and economic empowerment. Key features include zero-balance accounts, RuPay debit cards with accident insurance cover, overdraft facilities up to ₹ 10,000, and access to life and accident insurance schemes.

575 Million+
Beneficiary accounts have been opened under PMJDY

Reintroduction of Credit-Linked Subsidy Scheme

Launched by the Ministry of Micro, Small and Medium Enterprises, the Special Credit-linked Capital Subsidy Scheme for SC/ST enterprises, under the National SC/ST Hub, aims to strengthen the capacity of existing MSMEs. It offers a 25% capital subsidy on institutional finance for plant and machinery or equipment, capped at ₹ 25 Lakh, with no sector-specific restrictions.

Drivers of growth

India has the world's largest population

India's population grew from ~1.3 Billion in 2011 to ~1.4 Billion in 2021 and is projected to reach 1.5 Billion by 2031. Households are expected to expand to ~385 Million, with strong growth driven by a large young population of over 381 Million (15-29 years).

Rising urbanisation

Urbanisation continues to be a key growth driver, rising from 23% in 1981 to ~40% in 2021 and projected to reach ~41% by 2031¹. It is expected to boost infrastructure, jobs, services, and financial inclusion, while strengthening human capital through improved access to education and housing.

Increasing per capita GDP

Per capita income grew 5.5% last fiscal and is expected to rise at 5-6% CAGR through FY28, supporting middle-class expansion, higher consumption, increased savings, and long-term financial stability.

Expanding middle-income population

Middle-income households are projected to grow to 181 Million by FY30 from 41 Million in FY12¹, driven by rising incomes, especially in semi-urban and rural areas, alongside improving housing quality.

India's gross domestic savings rate

India's savings rate stood at 29% of GDP in CY24, above the global average. Household savings remain skewed towards physical assets, with a strong post-pandemic rebound driven by housing construction.

Digitalisation driving growth

Technology and fintech adoption are accelerating economic growth by improving access, lowering costs, and expanding financial inclusion, with platforms like Unified Payments Interface playing a central role.

Mobile banking

Mobile banking is enhancing financial inclusion, especially in rural areas, supported by initiatives such

as UPI, mobile wallets, Jan Dhan apps, and business correspondent models.

Digital payments growth

India has rapidly transitioned to a digital economy, with payment volumes growing ~50% CAGR between FY21-FY25. UPI transactions have surged significantly, driven by mobile adoption, better connectivity, and supportive policy measures, reinforcing financial inclusion and economic efficiency.

Outlook

The outlook for India in FY27 remains positive, with the economy expected to retain its position as the fastest-growing major global market. According to projections by the IMF and the Reserve Bank of India, GDP growth is likely to remain robust at 6.6%², supported by strong domestic fundamentals and ongoing structural reforms. Continued emphasis in the Union Budget on infrastructure, manufacturing through PLI schemes, and digitalisation is expected to drive investment and productivity gains. Elevated government capital expenditure is also likely to sustain momentum in core sectors and crowd in private investment over the medium term.

However, escalating geopolitical tensions in West Asia pose downside risks. Disruptions to energy supplies, particularly through the Strait of Hormuz, have increased crude oil prices, impacting inflation and growth. India's reliance on energy and fertiliser imports from the region amplifies these risks, alongside potential supply chain disruptions, weaker global demand, and heightened uncertainty.

Despite these challenges, India's macroeconomic position remains resilient. Strong domestic consumption, a stable financial system, and sustained policy support provide a solid foundation for growth. While external headwinds persist, India is well-

positioned to navigate uncertainties and sustain its growth momentum.

INDUSTRY OVERVIEW

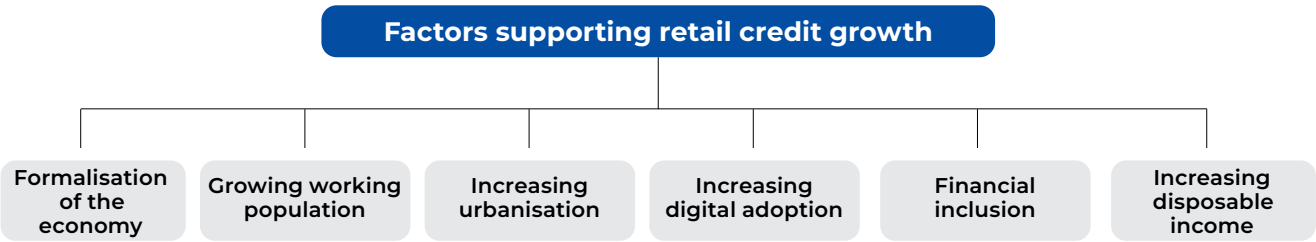
Credit scenario in India

India's credit landscape reflects a significant structural growth opportunity, supported by low penetration levels and evolving financial inclusion. As of December 2025, household credit-to-GDP stood at 47.8%³, significantly lower than China, the United States, and the United Kingdom. Similarly, India's overall credit-to-GDP ratio at 93% remains well below global benchmarks, indicating substantial headroom for expansion.

This gap is being steadily bridged through rising financial awareness, policy-led inclusion initiatives, and improved access to formal credit, particularly for underserved segments. Retail lending has consistently outpaced non-retail segments, supported by strong demand for housing, personal loans, and consumption-led financing.

Retail credit now accounts for a substantial and rising share of overall system credit (estimated 40-45%), reflecting a gradual rebalancing of the credit mix towards individuals and households. Growth has been broad-based, with increased traction in MSME financing, alongside rising adoption of personal loans, gold loans, and other retail products.

Looking ahead, systemic credit is expected to grow at a healthy pace supported by continued digitisation, deeper financial penetration, and targeted lending strategies by banks and NBFCs. Overall, India's credit ecosystem is poised for sustained expansion, with retail credit playing an increasingly pivotal role in shaping the future trajectory.



Sources:
¹CDN ²World Bank ³RBI

MANAGEMENT DISCUSSION AND ANALYSIS

Non-Banking Financial Companies (NBFCs)

NBFCs play a critical role in advancing financial inclusion by catering to the unbanked and underbanked population, including informal sector participants and first-time borrowers. Their proximity to customers, underwriting practices, and ability to design customised financial solutions have made them important contributors to bridging credit gaps. This grassroots connectivity also enables NBFCs to support government initiatives aimed at inclusive growth and economic formalisation.

India's NBFC sector has emerged as a vital pillar of the country's financial ecosystem, demonstrating sustained growth, adaptability, and deepening relevance in enabling credit access. Historically outpacing GDP growth, NBFC credit expansion continues to reflect the sector's structural importance in supporting consumption, entrepreneurship, and financial inclusion. From a modest asset base of less than ₹ 2 Trillion at the turn of the century, the sector has expanded exponentially to approximately ₹ 50 Trillion in assets under management (AUM) by the end of FY25. Between FY19 and FY25, NBFC credit grew at a compounded annual growth rate (CAGR) of around 13%, with AUM doubling from ₹ 24 Trillion to ₹ 50 Trillion—underscoring both scale and resilience.

MSME financing remains a core structural growth driver, accounting for approximately 22% of total NBFC credit outstanding in FY25. This segment is projected to grow at a strong pace of 20% in FY26, driven by increasing adoption of loans against property, enhanced policy support, and improving credit penetration. NBFCs are uniquely positioned to serve MSMEs, which often face constraints in accessing formal credit due to limited collateral, lack of formal documentation, or thin credit histories. Corporate and commercial real estate lending is expected to witness a moderate uptick, while infrastructure financing may see some moderation due to higher repayments, declining repo rates, and the completion of certain large-scale government programmes.

A defining characteristic of the NBFC sector is its complementary role to the banking system. While banks continue to dominate the financial landscape, their retail loan portfolio accounted for around 40-45% of total credit as of FY25, with a greater focus on large corporates, agriculture, and services. In comparison, NBFCs exhibit a relatively stronger retail orientation, with nearly half of their portfolios dedicated to retail lending.

The growth outlook for NBFCs is supported by India's strong economic fundamentals. Following a strong double-digit credit growth in FY25, NBFCs are expected to sustain momentum, with overall credit growth projected at approximately 17-18% over the next two years. Retail lending is anticipated to remain the primary driver, reflecting both rising consumer aspirations and the sector's strong distribution capabilities. Segments such as gold loans, personal loans, and auto finance are likely to remain key growth engines. Elevated gold prices, improving consumer sentiments, and rising disposable incomes are expected to support demand, while policy support may drive adoption of retail credit products, especially Gold, Consumer Durable & Personal Loans.

The sector has also undergone a significant transformation in terms of technological adoption and operational sophistication. The rise of digital infrastructure, including mobile internet, digital authentication, and neo-banking platforms, has enabled modularisation of financial services, making credit more accessible and efficient. Fintech partnerships have further accelerated innovation, particularly in unsecured lending, where data-driven underwriting models have expanded reach to new-to-credit segments and customers in Tier II and Tier III cities.

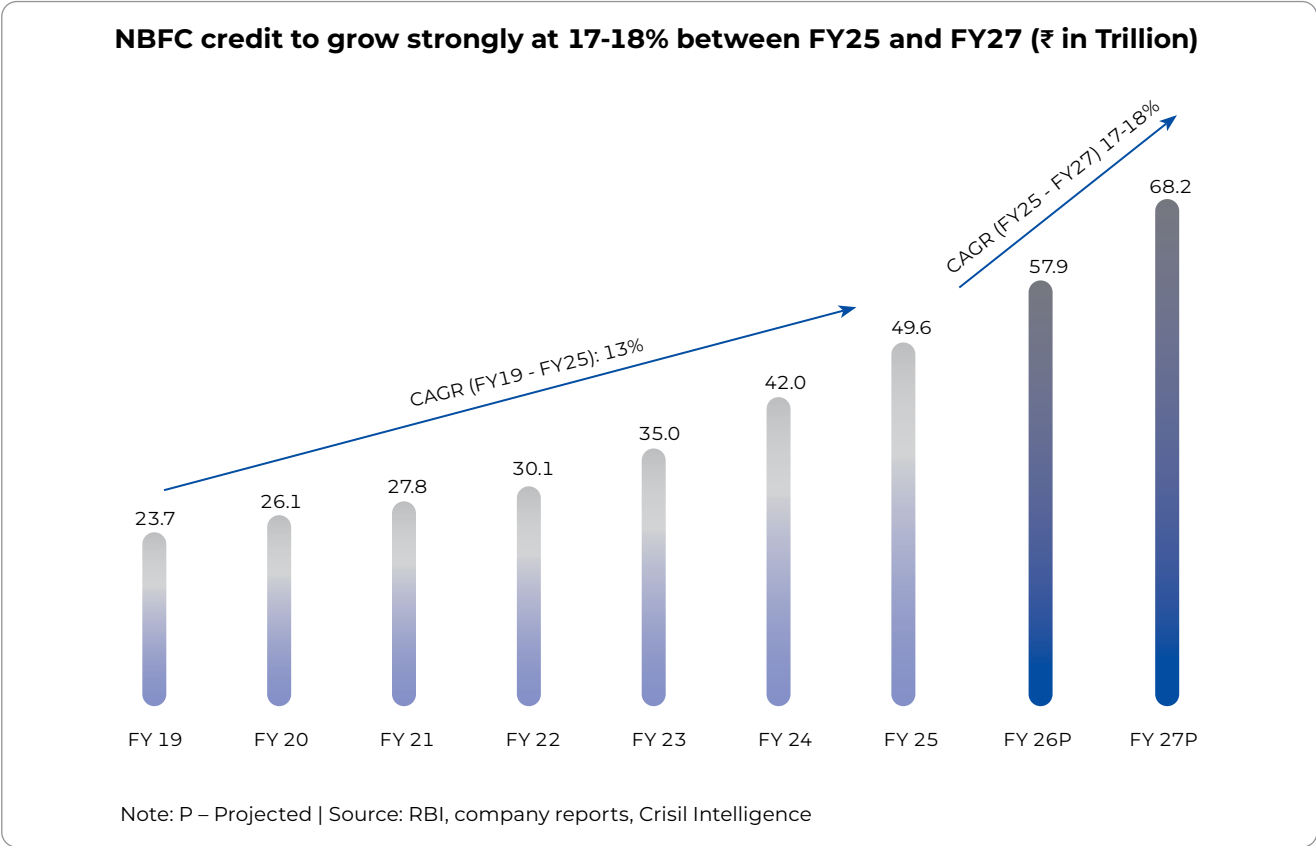
However, rapid expansion in unsecured lending has introduced emerging risks. The unsecured segment witnessed a sharp expansion over the past five years, with a CAGR of approximately 30% between FY21 and FY25, compared to 15% in the secured segment. This raised concerns around borrower overleveraging, especially in microfinance and personal loans, where rising inflation and stagnant incomes affected repayment capacity. In response, regulatory interventions, including higher risk weights and prudential norms introduced by the RBI, have led to moderation in credit growth and recalibration of lending strategies.

Consequently, NBFCs have recalibrated their portfolios, reducing exposure to unsecured loans and strengthening risk management frameworks. The share of unsecured lending is expected to stabilise in near terms (25-30%) with gradual expansion supported by industry initiatives, borrower discipline and economic recovery.

Looking ahead, growth across both secured and unsecured segments is expected to remain balanced. Secured lending is likely to be supported by strong demand in gold loans and vehicle financing, while unsecured lending will continue to grow at a healthy

pace, albeit with tighter underwriting standards. The regulatory environment is also evolving constructively, with the central bank introducing guidelines on co-lending, securitisation, digital lending, and collateral-based financing. These measures are expected to enhance transparency, improve underwriting standards, and unlock incremental growth opportunities over the medium term.

Overall, NBFCs are well positioned to benefit from continued formalisation, rising digital credit penetration and expanding access to credit across segments, reinforcing their role as a key driver of India's financial deepening.



OVERVIEW OF UNDERLYING SEGMENTS

Automobile

India's auto industry closed FY26 on a strong, yet stabilising trajectory. Positive consumer sentiment, improved financing availability, and continued recovery in rural markets served as a foundation, while wedding season activity and the start of Navratri added a seasonal boost to volumes. The structural tailwinds of GST 2.0, lower input costs, and continued momentum in the SUV and premium motorcycle segments boosted performance.

According to the Society of Indian Automobile Manufacturers, total vehicle production in India reached 34.7 Million units in FY26, reflecting 11% Y-o-Y growth, driven largely by passenger vehicles (PV) and two-wheelers. Passenger vehicle sales

touched a record 4.64 Million units, up by 7.9% Y-o-Y. Two-wheeler sales recovered to 21.70 Million units, up 10.7% Y-o-Y, supported by a revival in rural demand, while commercial vehicle (CV) sales grew 12.6% to 1.08 Million units despite a high base and persistent cost pressures. Commercial vehicle (CV) sales remained relatively stable at 1.08 Million units, showing growth of 12.6%, constrained by a high base and cost pressures. As per International Energy Agency estimates, electric vehicle (EV) adoption gained further momentum, accounting for 6-7% of total vehicle sales in FY26, compared to 5% in FY25.

From a financial and structural perspective, the industry benefited from easing commodity prices and operating leverage, leading to improved margins across OEMs. According to CRISIL, revenue growth for the auto sector stood at 7-9% in FY26, supported

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by stable realisations and premiumisation trends, particularly in SUVs, which accounted for over 50% of PV sales. Export volumes showed moderate recovery at 4.5-5.0 Million units, growing 5-6% Y-o-Y, aided by demand from Africa and Latin America, although still below pre-pandemic peaks. Meanwhile, financing penetration remained high, with 75-80% of PV purchases financed, supporting demand resilience. FY26 marked a year of broad-based but moderating growth, with strong domestic consumption, gradual rural recovery, and increasing electrification shaping the industry's trajectory.

Commercial Vehicles (CVs)

India's commercial vehicle (CV) segment in FY26 exhibited stable but moderated performance after a strong upcycle in previous years. According to the Society of Indian Automobile Manufacturers, total CV sales stood at 1.08 Million units, reflecting growth of 12.6% Y-o-Y, largely due to a high base effect and normalisation in freight demand. Medium and heavy commercial vehicles (M&HCVs) accounted for 421,903 units¹, while light commercial vehicles (LCVs) contributed 6,30,000+ units, supported by e-commerce, last-mile delivery, and urban logistics demand. However, rising vehicle prices due to regulatory changes and emission norms limited stronger volume growth.

From an industry dynamics perspective, freight availability and fleet utilisation remained healthy at 75-80%, although growth in freight rates softened compared to FY25 peaks. According to CRISIL, CV industry revenues grew 5-6%² in FY26, supported by infrastructure-led activity, steady replacement demand, and continued benefits from improved affordability following rationalisation of Goods and Services Tax (GST) rates. Financing trends remained robust, with 85-90% of CV purchases financed, largely through NBFCs, reinforcing their critical role in the segment. Exports contributed ~95,000 units³, showing gradual recovery but still below historical highs. For the CV segment, FY26 was characterised by cyclical stabilisation, with steady infrastructure-led demand, strong replacement cycles, and improving cost structures offset by pricing pressures and base normalisation.

Pre-owned Car Loan Market

India's pre-owned car market in FY26 continued to outpace the new passenger vehicle segment, driven

by affordability, leveraging digital platforms, and improved access to financing. According to estimates, the pre-owned to new car sales ratio improved to 1.3-1.4x in FY26, implying total pre-owned car transactions of 5.5-6.0 Million units, compared to 4.2-4.3 Million new PV sales. This represents 8-10% Y-o-Y growth, supported by strong demand in Tier II and Tier III cities, where first-time buyers prefer lower-ticket vehicles. Average ticket sizes in the segment ranged between ₹ 3-5 Lakh, making it significantly more accessible than new vehicles, while supply improved due to higher replacement cycles and increased trade-ins from urban markets.

From a financing and structural standpoint, the segment saw gradual formalisation, with financing penetration rising to 20-30%⁴ in FY26 and expected to increase to 30-40%⁴ by FY27. NBFCs continued to dominate this space, accounting for 50%+ of financed volumes, given their stronger reach in underserved geographies and ability to underwrite non-prime customers. Digital marketplaces and OEM-backed platforms further enhanced transparency and price discovery, supporting conversion rates. Despite these tailwinds, challenges persisted in the form of asset quality risks and residual value uncertainties. FY26 marked a phase of high-growth and increasing formalisation in the pre-owned car market, with strong volume expansion, rising credit penetration, and deeper rural and semi-urban penetration shaping the segment.

1.3-1.4x
Pre-owned to new car sales ratio in FY26

MSME Loans

The micro, small and medium enterprises (MSME) lending landscape in India has undergone a notable transformation in recent years, driven by a combination of policy support, technological advancement, and evolving lender strategies. Both banks and NBFCs have sharpened their focus on this segment, recognising its critical role in driving economic growth, employment, and entrepreneurship. Government initiatives, most notably the Pradhan Mantri Mudra Yojana, have significantly improved access to formal credit, particularly for micro and small enterprises that were historically underserved.

Driven by sustained demand, consolidated MSME credit outstanding rose to ₹ 67.6 Lakh Crore as of December 2025, recording a robust 16%¹ Y-o-Y growth. This expansion has been supported by a favourable macroeconomic environment, increased formalisation of businesses, and the rapid adoption of digital lending channels. A key structural shift underpinning this growth has been the move from traditional collateral-based lending to cash flow-based underwriting. Lenders are increasingly leveraging alternative data sources such as GST filings, e-invoicing records, and bank transaction data to assess creditworthiness more accurately. This data-driven approach has enabled deeper penetration into segments that previously lacked formal credit histories.

The rise of fintech players has further accelerated this transformation. By offering tailored, technology-enabled lending solutions with faster turnaround times, fintechs have enhanced competition and improved access to timely and affordable credit for MSMEs. As a result, businesses have been better equipped to manage working capital, invest in expansion, and improve operational efficiency, contributing meaningfully to broader economic development.

In FY25, total MSME credit outstanding reached approximately ₹ 30.5 Trillion, registering a strong year-on-year growth of 18%. This growth was driven by robust demand, continued support from government schemes, relatively stable asset quality, and the increasing ease of accessing credit through digital platforms, particularly for new-to-credit borrowers. As the Reserve Bank of India shifted towards a softer interest rate cycle, both banks and NBFCs strategically increased their focus on MSME lending to sustain margins and profitability in a declining rate environment. Additionally, credit guarantee schemes and other policy measures have continued to bolster credit flow to the sector.

Despite the growing role of NBFCs, banks continue to dominate the segment, holding approximately 77%

market share in MSME lending as of FY25. MSME loans also form a significant portion of banks' priority sector lending, accounting for about 36% of such portfolios. Within the banking system, public sector banks have a stronger presence in the micro enterprise segment, while private sector banks are more active in small and medium enterprise financing.

NBFCs and housing finance companies (HFCs), however, have carved out a strong niche, particularly in the micro enterprise segment, including proprietors and traders. They are also gradually increasing their presence in the small and medium enterprise categories. Their competitive edge lies in their customer-centric approach, faster decision-making, wider geographic reach, and ability to serve underserved and semi-urban markets.

Between FY21 and FY25, MSME lending by NBFCs grew at a CAGR of 22%, outpacing the approximately 20% growth recorded by banks. This superior growth has been driven by branch expansion, entry of new-age lenders and fintechs, adoption of digital underwriting models, and increased use of co-lending partnerships with banks.

Going forward, NBFCs are expected to maintain strong momentum, with MSME lending projected to grow at a CAGR of 19-21% over FY26 and FY27. Secured lending, particularly in the form of loan against property, is expected to remain a key growth driver as lenders adopt a more cautious stance towards unsecured business loans. Concerns around borrower overleveraging and early signs of stress in small-ticket unsecured segments have prompted NBFCs to tighten underwriting standards and strengthen collection mechanisms.

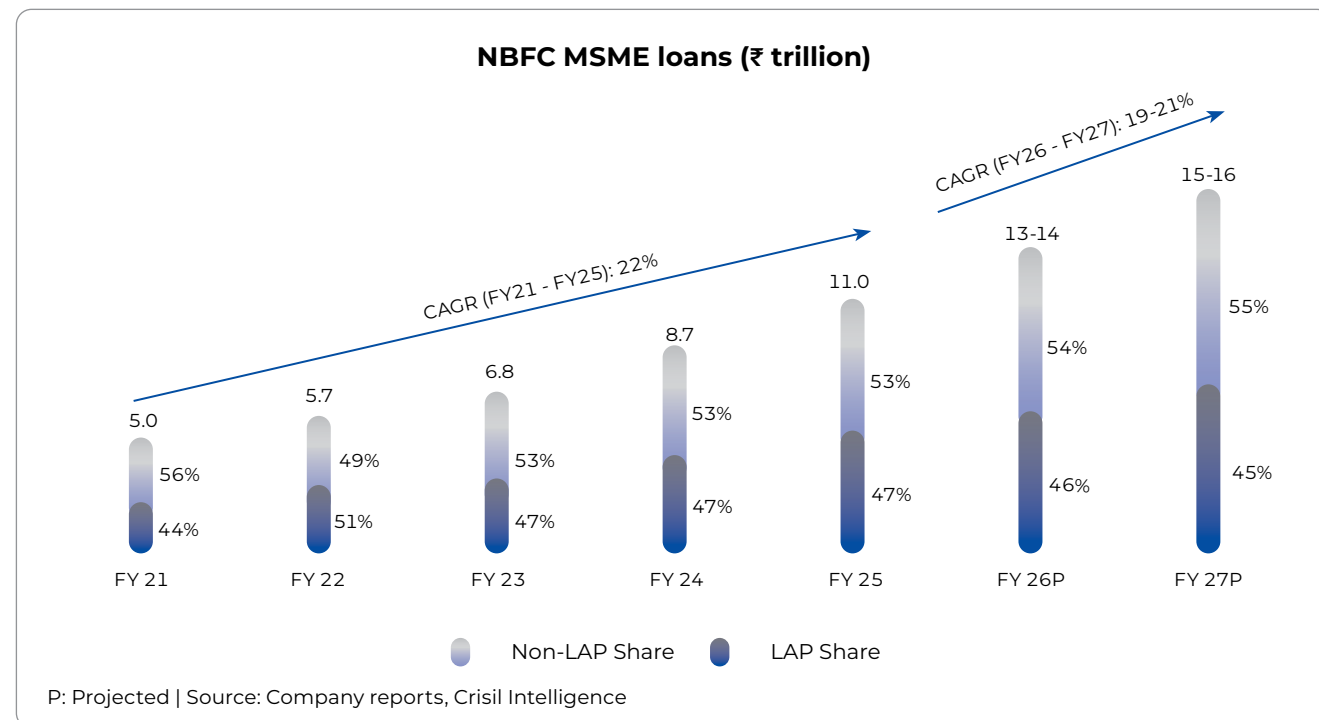
Overall, the MSME lending ecosystem is evolving towards a more balanced, data-driven, and inclusive model, positioning it as a cornerstone of India's next phase of economic growth.

Sources:
¹FADA
²CRISIL
³SIAM
⁴Economic Times

Sources:
¹SIDBI

MANAGEMENT DISCUSSION AND ANALYSIS

MSME loans of NBFCs expected to continue growth momentum



Loan Against Property (LAP)

Loan Against Property (LAP) is a secured lending product wherein borrowers pledge residential or commercial real estate as collateral to access funding. It primarily serves the financing needs of self-employed individuals, proprietors, and small businesses, offering them flexibility to deploy funds for both business and personal purposes. Unlike many other loan products, the end use of LAP is not tightly restricted, as the presence of tangible collateral provides comfort to lenders. Consequently, LAP loans are typically priced more competitively than unsecured personal or business loans, making them an attractive financing option.

The LAP segment has witnessed strong and sustained growth in recent years. Between FY21 and FY25, the overall LAP portfolio expanded at a robust CAGR of nearly 21%, reflecting increasing demand for secured credit among MSMEs. As of FY25, the total outstanding secured MSME loans in the form of LAP, extended by banks and NBFCs, are estimated at approximately ₹ 12.2 Trillion. This growth has been underpinned by several structural factors, including the expansion of lender distribution networks, improved data availability, and policy-led formalisation of the MSME sector through initiatives such as GST registration and Udyam certification.

These developments have enhanced the ability of lenders, particularly NBFCs, to assess borrower creditworthiness using a combination of financial records and property-backed security. As a result, LAP has emerged as a preferred product for lenders aiming to balance growth with asset quality. The increasing formalisation of MSMEs has also expanded the eligible borrower base, enabling lenders to scale their secured lending portfolios more confidently.

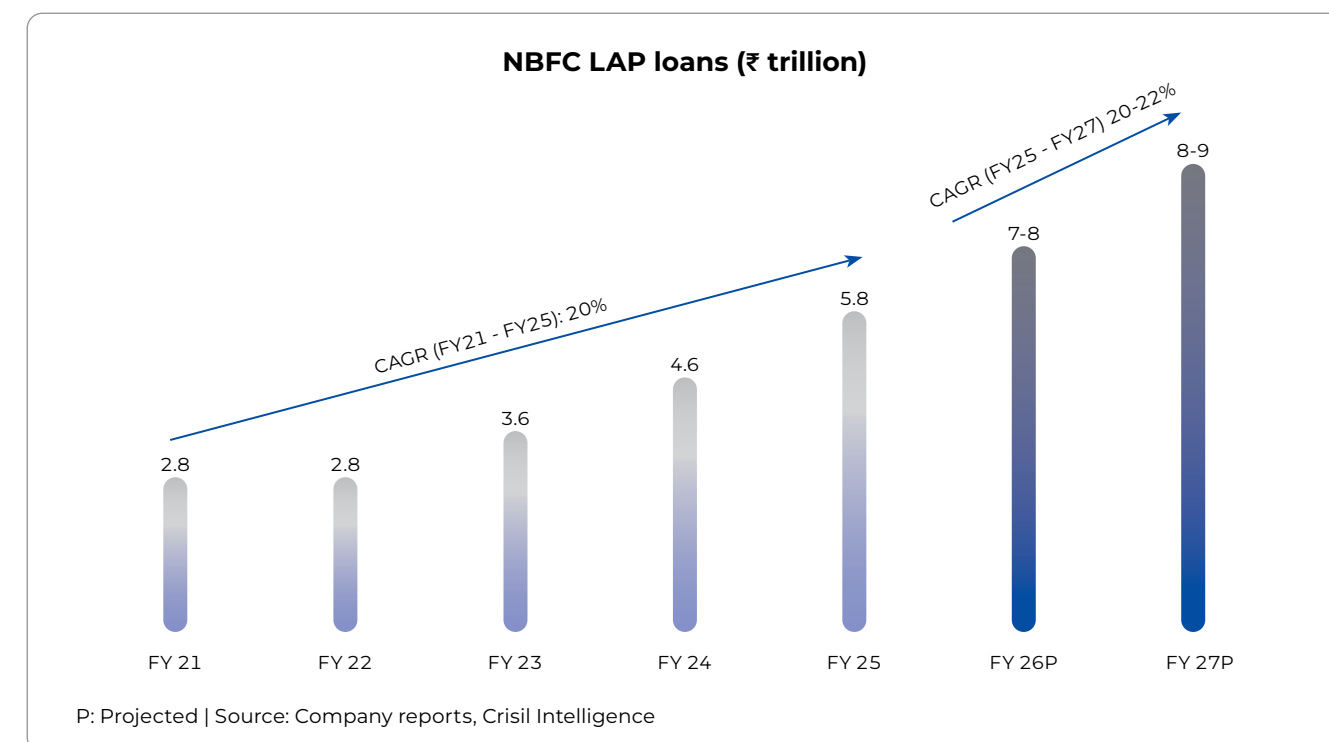
Looking ahead, the outlook for LAP remains positive. Industry estimates suggest that LAP loans are expected to grow at a healthy rate of 18-20% over FY26 and FY27, driven by a strategic shift among lenders towards secured products. Additionally, Housing Finance Companies (HFCs) are increasingly focusing on LAP portfolios, attracted by their relatively higher yields compared to traditional home loans, especially in a moderating interest rate environment.

NBFCs, in particular, have demonstrated strong momentum in this segment. Between FY21 and FY25, their LAP portfolios grew at an approximate CAGR of 20%, outpacing several other asset classes. In FY25 alone, LAP growth for NBFCs stood at a robust 26.7%, reflecting a conscious pivot towards secured lending to mitigate credit risk. The participation of select HFCs in this space has further supported growth, as they diversify beyond housing loans to enhance portfolio yields.

Going forward, NBFCs are expected to continue driving expansion in the LAP segment, leveraging their strong on-ground presence, customer relationships, and faster turnaround times. Industry projections indicate that LAP portfolios could grow at a CAGR of 20-22% over FY26 and FY27, supported by sustained demand from MSMEs and a continued preference for secured lending among financial institutions.

Overall, LAP is poised to remain a key pillar within the MSME financing ecosystem, offering a balanced proposition of accessibility for borrowers and risk mitigation for lenders, while supporting the broader objective of sustainable credit growth.

LAP loans of NBFC to grow at a CAGR of 20-22% over fiscals 2026-2027



Personal Loan

Personal loans have emerged as a primary driver of retail credit expansion, supported by digitalisation and changing consumption patterns. The overall outstanding personal loan book increased from approximately ₹ 6 Trillion in FY21 to about ₹ 14 Trillion in FY25, registering a robust CAGR of around 23%. This growth has been underpinned by the rise of new-age lenders, expanding geographic reach beyond metro markets, and a broader structural shift towards a consumption-led economy.

The segment experienced a phase of heightened momentum during FY23 and the first half of FY24, as both banks and NBFCs increasingly prioritised retail lending over wholesale exposures. Several factors contributed to this trend, including the granular nature of retail portfolios, which helped mitigate concentration risks, as well as legacy asset quality concerns in wholesale lending.

In addition, rapid digitisation enabled lenders to scale efficiently, while improving economic conditions and stabilising incomes post-pandemic supported consumer borrowing. Changing consumption patterns further accelerated demand, particularly for discretionary spending.

However, this phase of rapid expansion prompted regulatory intervention. In the second half of FY24, the Reserve Bank of India (RBI) increased risk weights on unsecured loans, signalling concerns around rising leverage and potential asset quality risks. This led to a moderation in growth, as lenders adopted a more cautious stance and recalibrated their strategies. Consequently, the overall personal loan book grew at a relatively moderate pace of 13% Y-o-Y in FY25, compared to 22% growth in FY24, reaching approximately ₹ 14 Trillion.

The personal loans market has become increasingly competitive, with both banks and NBFCs vying

MANAGEMENT DISCUSSION AND ANALYSIS

for market share. Banks currently dominate the segment, supported by lower cost of funds, extensive distribution networks, and established customer relationships. However, NBFCs and fintech players have carved out a niche by serving customers with limited or no credit history, often through innovative and flexible products. These include short-tenure loans, embedded finance solutions such as checkout financing, and partnerships with digital platforms and card issuers.

Smaller NBFCs and fintechs have been particularly agile, offering customised products such as pay-as-you-go financing and micro personal loans with tenures as short as three to six months. While these loans carry relatively higher interest rates to compensate for risk, they have enabled lenders to remain competitive and relevant, even among salaried customers. Additionally, cross-selling to existing borrowers with proven repayment track records has emerged as a key strategy for managing risk while sustaining growth.

NBFCs have outpaced banks in terms of growth in recent years, driven by their specialised focus, deeper penetration in semi-urban and rural markets, and strong adoption of digital channels. Investments in digital infrastructure have enabled faster customer acquisition, lower operating costs, and improved customer experience. This was evident in FY24, when NBFCs recorded a significant year-on-year growth in personal loans, supported by digital platforms and aggressive expansion strategies.

Between FY21 and FY25, the personal loan portfolio of NBFCs grew at a CAGR of approximately 37%, significantly higher than the overall industry growth.

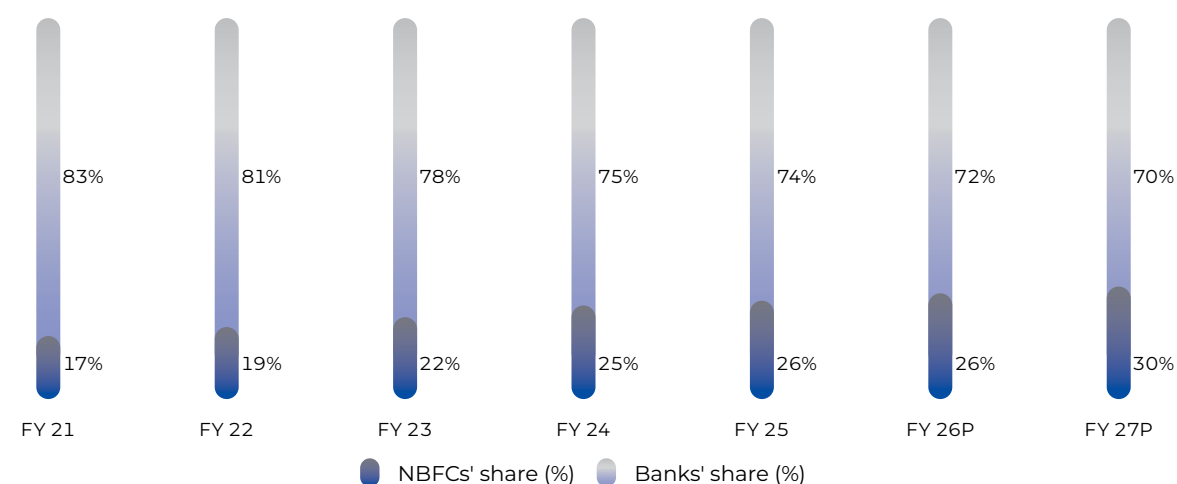
In FY25, however, growth moderated to around 20%, with the outstanding portfolio reaching approximately ₹ 4 Trillion. This slowdown reflects the impact of regulatory tightening and a more prudent approach to unsecured lending.

Looking ahead, the personal loans segment is expected to sustain a steady, albeit more balanced, growth trajectory. Growth in FY26 is projected at around 14-16%, supported by several macroeconomic tailwinds. These include income tax relief under the new tax regime announced in the Union Budget 2025-26, anticipated interest rate cuts, and rationalisation of the goods and services tax (GST), all of which are expected to enhance disposable incomes and boost consumption. As consumer sentiment strengthens, demand for personal credit is likely to remain healthy.

Banks are expected to continue driving growth in the segment, leveraging their large customer base, especially in Tier I cities, and their ability to cross-sell to existing salaried customers. NBFCs, on the other hand, are likely to maintain strong momentum by focusing on smaller ticket-size loans and expanding into Tier II and Tier III markets. Their differentiated approach, including faster turnaround times and customised offerings, enables them to cater to a wider and often underserved customer base.

Also, the outlook for NBFCs in the personal loans segment remains positive. With consumption expected to pick up in FY26 and FY27, supported by easing inflation, tax relief measures, and increased discretionary spending, credit growth is likely to accelerate, albeit in a more controlled manner. Industry estimates suggest that NBFCs could see growth in the range of 23-25% over the medium term.

NBFCs' share in overall personal loans market increased from 17% in FY21 to 26% as of FY25



Note: P – Projected | Share of NBFCs include NBFCs and fintechs | Source: RBI, company reports, Crisil Intelligence

Key Growth Drivers

1. Changing lifestyles and spending habits

Rising incomes, favourable demographics, and evolving aspirations are driving higher acceptance of credit for consumption, supporting sustained personal loan demand.

2. Reduction in turnaround time (TAT)

Digital processes enable faster, paperless loan approvals. NBFCs typically offer quicker turnaround times than banks, enhancing customer preference.

3. Increasing usage of non-traditional data in credit decision-making

Lenders increasingly use alternative data-such as digital transactions and mobile usage-to assess creditworthiness, expanding access for new-to-credit borrowers.

4. Customised offerings

NBFCs provide tailored loan solutions with flexible terms based on individual profiles, improving accessibility and strengthening customer engagement.

Gold Loan

India's gold loan market presents a significant untapped opportunity, underpinned by the country's vast household gold reserves and increasing formalisation of credit. According to the World Gold Council, Indian households hold an estimated ~25,000 tonnes of gold. However, organised gold loan penetration, defined as the proportion of gold pledged with formal financiers relative to total gold stock, remains modest at around 12% as of March 2025. This low penetration highlights significant headroom for expansion.

Gold prices play a crucial role in shaping market dynamics. Rising prices enhance borrowing capacity, allowing customers to pledge smaller quantities of gold for the same loan value, while falling prices may require higher collateral, influencing overall penetration levels. Despite these fluctuations, structural drivers such as expanding branch networks, deeper geographic reach, and increasing adoption among micro-enterprises for working capital needs are expected to steadily improve penetration. The growing acceptance of doorstep services and digital gold loan platforms is further enhancing accessibility and convenience.

Between FY21 and FY25, the gold loan industry recorded a strong CAGR of approximately 22%, reflecting sustained demand. In FY25 alone, the segment grew by 27.4%, with NBFCs slightly outpacing banks (28.2% vs. 27.2%). This growth was supported by rising gold prices, increasing customer acquisition, and a strategic shift by lenders towards secured products amid concerns around asset quality in unsecured lending segments such as personal loans and microfinance.

Regulatory developments have also played a pivotal role in shaping the sector's trajectory. The Reserve Bank of India's revised guidelines on gold loans, issued in June 2025, introduced changes in loan-to-value (LTV) ratios and credit appraisal norms to promote sustainable growth. A uniform LTV framework-85% for loans up to ₹ 250,000, 80% for ₹ 250,000-500,000, and 75% above ₹ 500,000-has created a level playing field for banks and NBFCs. These measures, along with regulatory clarity on collateralised lending, are expected to enhance transparency, strengthen underwriting practices, and support long-term growth.

In FY26, the sector continued to witness strong momentum, driven by elevated gold prices and tighter underwriting in unsecured lending. Regulatory relaxations, including higher LTVs for small-ticket loans and simplified appraisal requirements for loans up to ₹ 250,000, have further supported credit expansion. Looking ahead, the gold loan market is projected to grow at a robust pace of 31-33% between FY25 and FY27, driven by favourable regulations, rising gold valuations, and increasing demand for secured credit.

While banks have traditionally dominated the gold loan segment, holding around 82% market share in FY25, NBFCs are steadily gaining ground. Their share is expected to rise from 18% in FY25 to approximately 21% by FY27. NBFCs benefit from faster turnaround times, superior customer service, and deeper penetration in rural and semi-urban markets. In contrast, banks typically focus on higher-ticket loans, particularly for existing customers, and maintain a strong presence in agricultural gold lending with relatively lower interest rates.

The revised regulatory framework is expected to intensify competition by standardising norms across lenders. At the same time, certain restrictions-such as limits on long-tenure bullet repayment structures for consumption loans-will encourage more disciplined lending practices across the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

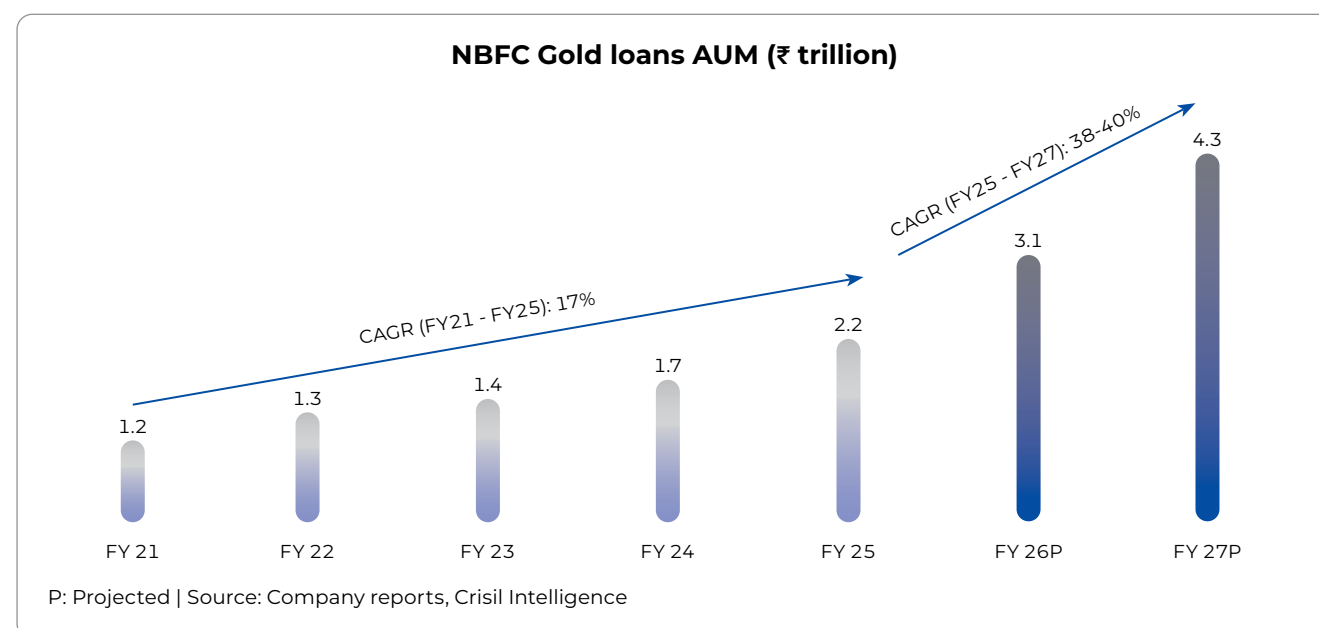
NBFCs are actively strengthening their competitive positioning through network expansion, targeted marketing, and enhanced customer engagement. They are also diversifying their borrower base by catering to both high-value customers and underserved rural segments. Their ability to deliver faster disbursements and flexible services continues to be a key differentiator.

The growth outlook for NBFCs in this segment remains particularly strong. While their gold loan portfolios grew at a CAGR of around 17% between FY21 and FY25, momentum is expected to accelerate significantly going forward. Industry estimates

suggest NBFC gold loan portfolios could grow at a CAGR of 38-40% over FY26 and FY27, driven by regulatory support, rising gold prices, and a broader shift towards secured lending.

Overall, the sector is poised for sustained expansion, supported by favourable regulatory developments, increasing formalisation, and a continued shift from informal to organised lending channels. Even in a stable gold price environment, these structural factors are expected to drive long-term growth, reinforcing the strategic importance of gold loans within India's evolving credit landscape.

Growth Trajectory of the NBFC Gold Loan Market



Education Loan

India's education sector is broadly divided into formal and informal segments. The formal segment includes K-12 schooling and higher education (undergraduate and postgraduate), while the informal segment comprises pre-schools, coaching and test preparation, vocational training, digital education, and publishing. Together, these segments form a large and evolving ecosystem, supported by demographic advantages and rising aspirations.

The overall education market in India is projected to reach ₹ 17-17.5 Trillion in FY26, growing at 11-12%, and is expected to sustain a CAGR of around 12% through FY29. This steady expansion is driven by a growing population, increasing awareness of education's importance, government initiatives, and

rising household incomes, all of which are contributing to higher enrolment levels across segments.

Parallel to this, the education loan market has witnessed strong growth, supported by rising demand for higher education in India and abroad. The number of students pursuing higher education grew at a CAGR of around 5% between FY21 and FY25, while escalating course fees have increased reliance on external financing. As a result, the total outstanding education loan portfolio grew 23% year-on-year in FY25 to ₹ 2.01 Trillion, crossing the ₹ 2 Trillion mark. This followed a strong 31% growth in FY24, driven by post-pandemic demand, reopening of international borders, and a surge in overseas education.

NBFCs have emerged as key growth drivers in this segment. In FY25, their education loan portfolio grew sharply by 41% to ₹ 636 Billion, significantly outpacing banks. Over the past few years, NBFCs have expanded their market share from 11% in FY21 to 32% in FY25, reflecting their specialised approach and higher risk appetite. Banks, however, continue to dominate the segment with a 68% share, largely focusing on smaller-ticket domestic loans.

The strong growth momentum in recent years was driven by pent-up post-pandemic demand, increasing applications for higher education, and strong demand from Tier I and Tier II cities. However, the outlook for the near term indicates some moderation. Factors such as geopolitical uncertainties, evolving immigration policies in key destination countries, tighter visa norms, and a challenging global employment environment are expected to impact overseas education demand.

Consequently, overall education loan growth is projected to moderate to 16-18% in FY26, before improving to 20-22% in FY27. Despite near-term headwinds, NBFCs are expected to sustain healthy growth, albeit at a moderated pace of 18-22% in FY26, with a gradual recovery to 22-26% in FY27. This recovery will likely be supported by diversification into newer geographies such as Germany, Ireland, France, and other European countries, as well as expansion into domestic education financing and adjacent segments like skill development, vocational training, certifications, and coaching.

NBFCs' focus on larger-ticket loans, typically ₹ 3.2-3.5 Million for international education compared to ₹ 1-1.2 Million for domestic education, provides a competitive edge, enabling them to capture a significant share of the overseas education financing market. Their flexible repayment structure and all-inclusive funding, including funding for ancillary expenses such as travel, accommodation, and study materials, further enhance their appeal among students.

Overall, while the education loan segment is entering a phase of moderated growth, structural drivers such as rising education costs, increasing aspirations, expanding financing options and a depreciating rupee continue to support its long-term potential.

Consumer Durable Loan

The household appliances sector witnessed a recovery in FY25 after a subdued FY24, which was impacted

by weak consumption. Unseasonal rainfall in the first quarter and inflationary pressures dampened demand, limiting growth to around 7% in FY24. In FY25, urban consumption remained constrained due to high food inflation and elevated interest rates, which weighed on discretionary spending by the middle class. However, premium products such as large-screen televisions and side-by-side refrigerators continued to see steady demand from higher-income urban consumers, who are relatively less price-sensitive.

In contrast, rural markets showed signs of improvement, supported by better cash flows and recovery in demand. Cooling appliances, particularly air conditioners and refrigerators, drove growth during FY25, aided by a prolonged and intense summer. As a result, the sector recorded a healthy volume growth of around 8-9% during the year.

The outlook for FY26 remains positive. Factors such as income tax relief, easing inflation, potential interest rate cuts, and improved rural liquidity are expected to support consumption. Volume growth in consumer durables is projected at 7-9% in FY26, led primarily by strong demand for cooling products. Over the longer term, the sector is expected to maintain steady growth, driven by increasing affordability, stable product prices, easier financing options, and continued government investment in rural infrastructure. Additional factors such as shorter replacement cycles, rising multi-product ownership, and low penetration levels across several appliance categories will further support demand. Overall, industry revenues are projected to grow at a CAGR of 9-11% between FY25 and FY30.

The consumer durable financing segment has mirrored this growth trajectory. The loan book expanded by 11% year-on-year to ₹ 917 Billion in FY25, recording a strong CAGR of 20% between FY21 and FY25. However, growth moderated in FY25 as lenders adopted a more cautious stance following higher risk weights on unsecured lending and emerging stress in retail portfolios. Despite this, the outlook remains positive. Policy measures such as income tax relief and GST rationalisation are expected to boost disposable income and consumption, driving credit growth in the segment to 14-16% in FY26 and further to 18-20% in FY27.

14-16%
Credit growth in the segment in FY26

MANAGEMENT DISCUSSION AND ANALYSIS

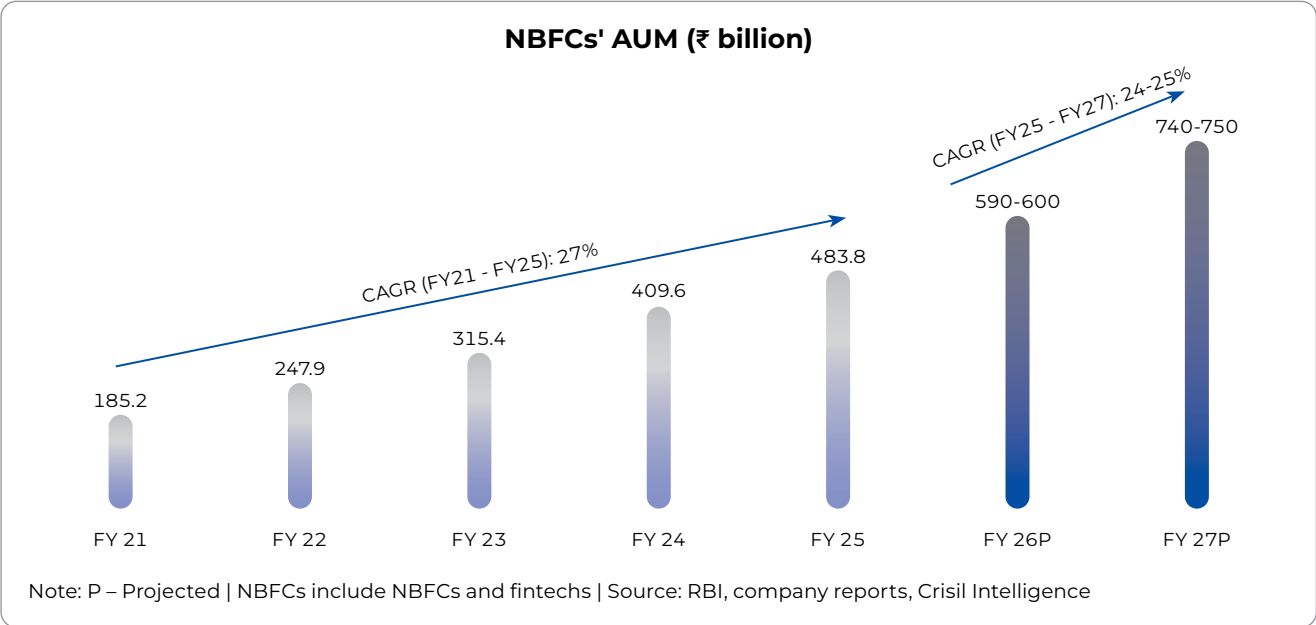
NBFCs have emerged as key players in consumer durable financing, steadily gaining market share from banks. In FY25, NBFCs recorded an 18% growth in their consumer durable loan book, while banks saw a marginal decline of 1%, reflecting cautious lending amid asset quality concerns. Consumers increasingly prefer financing options available at the point of sale, such as Equated Monthly Instalment (EMI) schemes offered at retail outlets. NBFCs have a competitive advantage in this space due to their strong partnerships with retailers, deeper customer reach, and faster processing capabilities.

Fintech players have further intensified competition by offering seamless, low-cost digital financing solutions. Changes in credit card reward structures

and spending norms have also slowed growth in the credit card segment, indirectly benefiting NBFCs. As a result, NBFCs' market share in consumer durable financing rose to 53% in FY25 and is expected to increase further to around 57% in FY26 and 60% in FY27, while banks' share is projected to decline.

Although growth moderated in FY25 compared to the strong momentum seen in FY24, NBFCs are expected to regain pace going forward. Supported by improving consumption, easing inflation, and their focused approach to retail lending, NBFC consumer durable loan growth is projected to strengthen to 22-26% over FY26 and FY27, reinforcing their leadership in this segment.

Consumer durable loan portfolio of NBFCs expected to grow at a CAGR of 24-25% between FY25 and FY27



STANDALONE FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Operational Performance

During FY26, the total income (before interest expenses and including fee and other income) increased by 61% to ₹ 6,796 Crore. Net Interest Income (Total Income (-) Interest expenses) for the year grew by 49% to ₹ 4,029 Crore and Net Interest Margin (including fee and other income) stood at 8.65% for FY26, reflecting consistent quarter-on-quarter improvement, reaching 9.05% in Q4FY26.

Operating expenses increased to ₹ 2,095 Crore for FY26 from ₹ 1,291 Crore in FY25 on account of strategic investments in technology, infrastructure, distribution & talent, aimed at building future-ready infrastructure

and sustainable profitability. Pre-provision operating profit grew by 36% to ₹ 1,934 Crore as compared to ₹ 1,417 Crore in FY25. Provisions for the year FY26 reduced to ₹ 1,210 Crore as compared to ₹ 1,553 Crore in FY25, which testifies to our risk-first approach. Operating leverage improved during the year, resulting in a significant enhancement in the Opex-to-AUM ratio, which declined from 4.76% in Q4FY25 to 4.13% in Q4FY26.

Profit After Tax for FY26 is ₹ 542 Crore as compared to ₹ (98) Crore for FY25. Profitability improved on the back of improvement in credit costs resulting from portfolio re-calibration, improved quality of new sourcing, and improving operating leverage. Loss in FY25 was on account of one-time accelerated provisioning of ₹ 666 Crore on the erstwhile small

ticket personal loan book along with continued investments in existing and new business lines and one-time opex of ₹ 71 Crore. Return on Assets (ROA) improved to 1.16% in FY26, compared to (0.35%) in FY25. ROA continued its upward trajectory through the year, reaching 1.81% in Q4FY26, reflecting strong momentum in profitability and improving business fundamentals.

400
Number of gold loan branches

1.16%
Return on assets in FY26

Loan Assets

Assets under management expanded significantly by 69.4% Y-o-Y to ₹ 60,348 Crore as on March 31, 2026, from ₹ 35,631 Crore as on March 31, 2025. The assets are well diversified with 13 retail products, Loan Against Property 28%, Instant Consumer Loan 19%, Mid-Market 15%, Business Loan 12%, Pre-owned Car 9%, Machinery & Medical Equipment Loan 1% & Professional Loan 1%. Further, 6 newly launched products also contributed 14% in AUM, Prime Personal loan 8%, Gold Loan 2%, Commercial Vehicle loan 2%, Education & Consumer Durable Loan 1% each. On-book secured-unsecured mix as on March 31, 2026 stood at 54:46.

Asset Quality

Gross Stage 3 assets improved to 1.44% as of March 31, 2026, compared to 1.84% in the previous year. Similarly, the Net Stage 3 Assets ratio is 0.74% as on March 31, 2026, as compared to 0.85% as on March 31, 2025. This was achieved through enhancements to the underwriting model and a strengthened collections infrastructure.

Liquidity

We maintained a strong liquidity position throughout the year. Liquidity is composed of cash/ cash equivalents, available bank lines and stock of unencumbered liquid investments. We ended the year under review with standalone liquidity of around ₹ 7,590 Crore comprising available cash and cash equivalents, unutilised credit limits and partially undrawn term loans.

During the year, we have raised fresh term loans of ₹ 14,725 Crore and external commercial borrowings of ₹ 1,281 Crore from banks and other financial institutions for a door-to-door tenor ranging from 3 to 5 years. Besides public sector banks/financial institutions, incremental credit lines were received from private banks to diversify the borrowing base. We also raised commercial paper (CP) aggregating to ₹ 13,075 Crore (peak outstanding of CP during the year was ₹ 4,695 Crore), ₹ 13,580 Crore of secured non-convertible debentures and subordinated non-convertible debentures of ₹ 250 Crore during the year through private placement basis.

By way of contingency funding, we maintained a stock of highly liquid investments, undrawn bank lines and a buffer of unencumbered assets. This was overlaid by continuous discussions with market participants and bankers for enhancements and fresh facilities, thereby maintaining robust funding pipelines. Pool sales through assignments and securitisation can be other options for raising funds.

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

Financial Highlights

Particulars	(₹ In Crore)	
	FY 2026	FY 2025
Total Income	6,795.65	4,222.84
Finance cost	2,766.67	1,515.09
Net income	4,028.98	2,707.75
Operating expenses	2,095.45	1,290.57
Pre-provisioning operating profit	1,933.53	1,417.18
Net loss on derecognition of financial instruments	105.79	94.41
Impairment on financial instruments	1,104.13	1,458.17
Profit/(loss) before tax	723.61	(135.40)
Profit/(loss) after tax	541.81	(98.34)
Other comprehensive income	24.70	(14.08)
Total comprehensive income	566.51	(112.42)

MANAGEMENT DISCUSSION AND ANALYSIS

Operating expenses rose to ₹ 2,095 Crore (FY25: ₹ 1,291 Crore), driven by calibrated investments in technology, distribution expansion, talent, and incubation of new business lines. These investments are strategic in nature and aimed at building scalable, future-ready platforms.

As a result, the Opex to Net Income ratio stood at 52.01%,elevated due to upfront investments.However, this trend has shown consistent improvement on a quarterly basis, with Q4FY26 witnessing a sharper decline in the ratio, indicating that operating leverage is beginning to play out as income scales up.

Additionally, Opex to Average AUM has improved steadily, reaching 4.13% in Q4FY26, reflecting better cost absorption and efficiency gains.

Ratios	FY 2026	FY2025
Opex to Net Income	52.01%	47.66%
Return on average assets (ROA)*	1.16%	(0.35%)
Return on average equity (ROE)*	5.91%	(1.20%)
Capital to risk-weightage asset ratio (CRAR)	16.83%	22.94%
of which, Tier I	15.90%	21.67%
of which, Tier II	0.93%	1.27%

*Excluding Exceptional Items

Ratios	FY 2026	FY2025
Gross NPA	1.44%	1.84%
Net NPA	0.74%	0.85%
Net profit margin*	7.97%	(2.33)%
Debt equity ratio (times)	4.67	3.19
Provisioning coverage ratio (PCR)	49.00%	54.47%
EPS - Basic (₹)	6.84	(1.27)
Diluted (₹)	6.82	(1.27)

*Profitability improved on the back of improvement in credit cost resulting from portfolio re-calibration, superior quality of new sourcing, and improving operating leverage.

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

The Return on Assets (ROA) improved significantly to 1.16% in FY26 (FY25: -0.35%), reflecting the combined impact of:

- Lower credit costs
- Improving operating leverage
- Better portfolio quality

Importantly, ROA has shown strong sequential traction, reaching 1.81% in Q4FY26, underscoring that:

- Core profitability is strengthening, and
- Recent investments and portfolio actions are beginning to deliver tangible returns

Overall, we are transitioning from an investment phase to a phase of scalable and sustainable profitability, with operating leverage expected to further improve going forward.

Return on Equity (ROE) increased from (1.2%) in FY25 to 5.91% in FY26. Profitability improved on the back of improvement in credit costs, resulting from portfolio re-calibration, superior quality of new sourcing, and improving operating leverage.

BUSINESS REVIEW

We are a non-banking financial company (NBFC) offering a diversified portfolio of 13 loan products catering to salaried and self-employed individuals, professionals, students, MSMEs, and mid-sized corporates. Our assets under management (AUM) increased to ₹ 60,348 Crore as of March 31, 2026, reflecting strong and sustainable scale-up in our lending franchise.

We served over 22 Lakh customers as of March 31, 2026, reflecting a rapidly expanding and well-diversified customer franchise with strong cross-sell potential. Following our acquisition by Rising Sun Holdings Private Limited, part of the Cyrus Poonawalla Group, in May 2021, we have significantly strengthened our product portfolio, embedded a “risk-first” credit approach, and invested in distribution, technology, and AI capabilities, enabling scalable and profitable growth with improving operating leverage while consistently maintaining strong asset quality.

Our product suite includes Prime Personal Loan, Gold Loan, Education Loan, Consumer Durable Loan, Commercial Vehicle Loan, Shopkeeper Loan, Instant Consumer Loan, Loan Against Property, Pre-Owned Car Loan, Business Loan, Mid-Market Loan, Machinery and Medical Equipment Loan and Professional Loan. Newly introduced products contributed ₹ 8,298 Crore, 14% of AUM, as of March 31, 2026, reflecting strong traction across emerging growth engines. We maintain a well-balanced portfolio, with 54% secured and 46% unsecured lending. Our Credit by Design framework has enhanced underwriting and collections, reflected in improved asset quality, with 6 MOB 30+% reducing to 1.05% for Q2FY26 (1.34% for Q1FY26) from 6.74% for Q1FY25. Portfolio growth remains disciplined and calibrated, guided by a credit-first approach, supporting stronger portfolio performance and improved early-risk metrics.

We operate an omnichannel ‘phygital’ distribution model combining physical and digital channels. Our physical network comprises 500+ branches across 20 states and Union Territories, 2,700+ channel partners, 12,500+ dealers, 500+ education consultants, and 6 call centers. Our digital platforms include our website (95.8 Million visits during FY26), mobile application (over 10 Million downloads), and social media presence (1.05 Million followers), complemented by partnerships with digital aggregators, enabling scalable, cost-efficient customer acquisition and enhanced reach across geographies.

Technology and AI form the backbone of our operations, underpinning an AI-led operating model with 76 AI initiatives (42 deployed, 34 in progress) across functions such as credit, underwriting, collections, risk, compliance, and customer service, driving improved decision-making, operational efficiency, and customer experience.

We maintain a strong liability profile supported by AAA/Stable long-term ratings and A1+ short-term ratings. Our diversified borrowing mix includes bank loans, non-convertible debentures, commercial paper, and external commercial borrowings. Our average cost of borrowings stood at 7.73% for FY26 and 8.09% for FY25, reflecting improved funding efficiency and disciplined liability management. As of March 31, 2026, based on residual maturity, 63.68% of our borrowings were long-term borrowings, and 36.32% of our borrowings were short-term borrowings.

SEGMENT-WISE BUSINESS PERFORMANCE

Loan Against Property (LAP)

In FY26, LAP emerged as one of the fastest-growing secured lending verticals, reflecting our strategic shift toward a more balanced and lower-risk portfolio mix, significantly outpacing overall AUM growth. This sharp expansion was driven by strong demand from self-employed individuals and MSMEs for secured credit, along with our strategic focus on scaling collateral-backed lending products. The segment also benefited from enhanced underwriting supported by digital and AI-led processes, enabling faster loan approvals and calibrated risk assessment. With LAP forming a key part of our diversification strategy, FY26 saw rapid scale-up, strong disbursement momentum, and increasing contribution to the secured portfolio, positioning it as a critical pillar for sustainable growth and asset quality improvement going forward.

As of March 31, 2026, the ticket size for LAP typically ranged between ₹ 51 Lakh and ₹ 25 Crore. These loans have tenures ranging from 3 to 15 years. The

disbursement yield for this segment generally ranged between 9.75% and 12.00%, and loans are offered on a floating interest rate basis. The AUM for LAP increased significantly from ₹ 8,466 Crore as of March 31, 2025 to ₹ 16,935 Crore as of March 31, 2026.

₹ 16,935 Crore
AUM of Loan Against Property business as of March 2026

Instant Consumer Loan

We offer digitally originated, instant personal loans as a high-velocity consumer lending product that enables rapid, paperless access to credit for salaried and self-employed customers with stable credit histories. Instant consumer loans are unsecured loans and can be used by our customers for a wide variety of personal needs and requirements. Our instant consumer loans digital platform integrates credit bureau checks, bank statement analysis and device-level checks to enable rapid credit checks and underwriting. Our instant consumer loans to customers are typically disbursed within 10 to 15 minutes from onboarding a customer. Repayment for instant consumer loans is structured as fixed equated monthly instalments (“EMIs”).

As of March 31, 2026, for instant consumer loans, ticket size typically ranged from ₹ 50,000 to ₹ 5 Lakh, with tenures between 6 to 36 months. Our instant consumer loans entail fixed interest rate terms, with a disbursement yield range typically between 22.00% to 29.00%. Our AUM for instant consumer loans grew from ₹ 6,659 Crore as of March 31, 2025 to ₹11,197 Crore as of March 31, 2026.

₹ 11,197 Crore
AUM of Instant Consumer Loan business as of March 2026

Mid-Market Loan

Mid-market loans are extended to corporates and NBFCs to support growth capital, capital expenditure, working capital, supply chain financing, acquisitions, and other business needs. In originating these loans, we focus on established promoters, resilient business models, strong cash flows, robust security structures, and sectoral diversification. Security is determined on a case-to-case basis and may include charges over fixed and current assets, share pledges, cash margins, and corporate or personal guarantees.



MANAGEMENT DISCUSSION AND ANALYSIS

For FY26, ticket sizes typically ranged from ₹ 20 Crore to ₹ 50 Crore, with tenures of up to 36 months. These loans are offered at both fixed and floating interest rates, with disbursement yields generally between 10.00% and 12.00%. AUM under this segment grew from ₹ 6,475 Crore as of March 31, 2025 to ₹ 9,245 Crore as of March 31, 2026.

₹ 9,245 Crore

AUM as of March 2026

Business Loan

Business loans are primarily extended to self-employed entrepreneurs and MSMEs to meet working capital and long-term business requirements. These borrowers, typically based in Tier I and Tier II cities, have formal and cash flow-visible profiles. The loans are structured to support a range of needs, including inventory and receivables funding, equipment purchases, store or branch expansion, vendor financing, and general corporate purposes. Flexible repayment options are offered to align with business cash flows and ensure operational continuity.

For FY26, ticket sizes typically ranged from ₹ 5 Lakh to ₹ 1 Crore, loan tenures ranged from 6 to 60 months. These are unsecured loans offered at fixed interest rates, with disbursement yields typically between 17.00% and 22.00%. AUM for the Business Loan segment increased from ₹ 5,728 Crore as of March 31, 2025 to ₹ 7,303 Crore as of March 31, 2026.

₹ 7,303 Crore

AUM as of March 2026

Pre-owned Car Finance (POC)

This segment showed steady growth as part of our diversified retail lending portfolio, benefiting from the rising demand for affordable mobility and increased financing penetration in the pre-owned car market. The POC segment contributed 9% of total AUM, amounting to ₹ 5,392 Crore as of FY26, indicating a meaningful yet calibrated presence within the portfolio mix. Growth in this segment was driven by strong traction in Tier II and Tier III markets, where demand for pre-owned vehicles remains high due to lower-ticket sizes and affordability. We leveraged our digital underwriting capabilities and risk-based pricing to expand disbursements while maintaining asset quality, aligning with our broader strategy of granular retail expansion. Additionally, POC serves as a relatively secured product compared to unsecured loans, supporting portfolio stability.

For FY26, pre-owned car loans typically ranged from ₹ 2 Lakh to ₹ 1 Crore. These loans have tenures between 12 to 72 months and are offered at fixed interest rates with disbursement yields ranging from 14.00% to 16.00%. AUM for pre-owned car loans increased from ₹ 4,883 Crore as of March 31, 2025 to ₹ 5,392 Crore as of March 31, 2026.

₹ 5,392 Crore

AUM as of March 2026

Prime Personal Loan

Our prime personal loan product, launched in July 2024, targets financially strong salaried professionals from established corporates, offering quick approvals and seamless access to credit. Borrowers are required to have stable credit histories and are primarily located in Tier I and Tier II cities, with ~70% employed with "CAT A" corporates having bureau scores of 750+ and earning ₹ 75,000+ net take-home, reinforcing strong portfolio quality. At the same time, increasing digital adoption is enabling faster onboarding, improved customer experience, and scalable, cost-efficient growth. These unsecured loans cater to short- to medium-term needs such as lifestyle expenses, medical costs, education, and personal use. Loan sizing is based on verified income, obligations, and affordability, with repayments through EMIs and options for part-prepayment and foreclosure.

For FY26, ticket sizes typically ranged from ₹ 1 Lakh to ₹ 75 Lakh and tenures between 12 to 84 months. These loans are offered at fixed interest rates, with disbursement yields ranging from 13.00% to 16.00%. Sourcing is through DSAs, branches, and digital channels. The fully digital "PL Prime Digital 24x7" platform enables end-to-end online processing with instant disbursements, with an average ticket size of approximately ₹ 275,000. Loans above ₹ 15 Lakh undergo detailed assessment through DSAs or branches. During the year ended March 31, 2026, 73% of loans were sourced through non-digital and 27% via the digital platform. AUM for prime personal loans stood at ₹ 4,802 Crore as of March 31, 2026. The portfolio continues to demonstrate strong asset quality, with delinquency levels across both 30+ and 90+ DPD buckets remaining meaningfully lower than industry benchmarks, supported by disciplined sourcing, underwriting and effective collections.

₹ 4,802 Crore

AUM as of March 2026

Gold Loan

Our gold loan product, introduced in April 2025, is a high-yield, low-risk secured lending engine with strong branch-led distribution targeted at retail customers in Tier II and Tier III markets. Delivered through dedicated gold loan branches, these loans are designed to meet short-term liquidity needs with rapid credit assessment and same-day disbursal, subject to due diligence. Loans are backed by individually appraised personal gold jewellery (excluding bullion and coins), with loan amounts determined based on net weight, purity, and applicable LTV ratios. A conservative appraisal approach is followed, and pledged gold is secured through insured storage, strict handling protocols, and 24/7 monitored facilities.

As of March 31, 2026, ticket sizes typically ranged from ₹ 25,000 to ₹ 1 Crore and tenures of up to 36 months. Disbursement yields typically ranged between 11.00% and 28.00%. Customer acquisition is primarily branch-led, with 400 dedicated gold loan branches across Tier II cities and Tier III cities. AUM for gold loans stood at ₹ 1,299 Crore as of March 31, 2026.

₹ 1,299 Crore

AUM of Gold Loan business as of March 2026

Professional Loan

Professional loans are extended to individuals from professional backgrounds to support practice expansion and working capital requirements. These are unsecured loans designed to meet the financing needs of professionals.

For FY26, ticket sizes typically ranged from ₹ 5 Lakh to ₹ 75 Lakh. Loan tenures ranged from 12 to 60 months. These loans are offered at fixed interest rates, with disbursement yields typically between 12.00% and 14.00%. Sourcing is primarily through DSAs and call centres. AUM for professional loans stood at ₹ 787 Crore as of March 31, 2026.

₹ 787 Crore

AUM as of March 2026

Consumer Durable Loan

Introduced in April 2025, our Consumer Durable Loan business provides digital, instant EMI-based financing for appliances, electronics and home upgrades, primarily targeting Tier II and Tier III households, including both existing and new-to-credit customers. As a key customer acquisition engine and

first-credit touchpoint, the product enables cross-selling opportunities and supports long-term customer lifecycle value.

For FY26, ticket sizes typically ranged from ₹ 5,000 to ₹ 5 Lakh. Loan tenures extended up to 36 months with range from 3 months to 24 months. These loans are offered at fixed interest rates, with disbursement yields of up to 35.00%. Sourcing is primarily through dealer partnerships. AUM for consumer durable loans stood at ₹ 382 Crore as of March 31, 2026.

₹ 382 Crore

AUM as of March 2026

Machinery and Medical Equipment Loan

Machinery and medical equipment loans are provided to businesses, including MSMEs and healthcare practices, to finance equipment purchases. These are secured loans, backed by the underlying machinery or medical equipment. For FY26, ticket sizes typically ranged from ₹ 2 Lakh to ₹ 10 Crore. Loan tenures ranged from 12 to 84 months. These loans are offered at fixed interest rates, with disbursement yields typically between 9.50% and 14.00%. Sourcing is primarily through DSAs and direct channels, including the Company's in-house relationship management team. AUM for Machinery and Medical Equipment Loan business stood at ₹ 783 Crore as of March 31, 2026.

₹ 783 Crore

AUM as of March 2026

Shopkeeper Loan

Our shopkeeper loan product, introduced in April 2025, provides working capital financing to small retail shops and micro-retailers, using cash flow and transaction history-based underwriting. These are unsecured loans designed to support day-to-day business operations.

For FY26, ticket sizes typically ranged from ₹ 1 Lakh to ₹ 15 Lakh. Loan tenures ranged from 6 to 48 months. These loans are offered at fixed interest rates, with disbursement yields typically between 18.00% and 22.00%. These loans are primarily originated through our direct channels. AUM for Shopkeeper Loan stood at ₹ 1 Crore as of March 31, 2026.

Commercial Vehicle Loan

Our commercial vehicle loan product, introduced in Q4FY25, finances new and used commercial vehicles



MANAGEMENT DISCUSSION AND ANALYSIS

for transporters, captive entities, primarily targeting small fleet operators in Tier II and Tier III cities. These are secured loans, backed by the underlying vehicle.

For FY26, ticket size typically ranged from ₹ 75,000 to ₹ 2.5 Crore. Loan tenures ranged from 12 to 72 months. These loans are offered at fixed interest rates, with disbursement yields typically between 10.00% and 20.00%. These loans are originated through a mix of DSAs and our direct channels. AUM for commercial vehicle loans stood at ₹ 939 Crore as of March 31, 2026.

₹ 939 Crore

AUM of Commercial Vehicle Loan business as of March 2026

Education Loan

Our education loan product, introduced in Q4FY25, provides financing for higher education, primarily for Indian students pursuing master's degrees in fields such as engineering, business, computer science, medicine, and law at leading universities in the United States, United Kingdom, Canada, and Australia. These loans are largely unsecured and cover expenses including tuition fees, living costs, visas, travel, insurance, and study materials. As of March 31, 2026, the portfolio comprised ₹ 876 Crore in AUM across 2,546 students from 25 cities in India, studying in over 550 international institutions. Over 95% of the AUM relates to students pursuing master's degrees, reflecting a focused strategy on high-quality education segments and global institutions. Credit assessment is conducted jointly for the student and co-applicant, typically a parent or sibling, with disbursements aligned to academic cycles, ensuring prudent underwriting and structured cash flow alignment.

For FY26, our ticket size typically ranged from ₹ 1 Lakh to ₹ 3 Crore and tenures of up to 15 years. Loans are offered at both fixed and floating interest rates, with disbursement yields typically between 10.50% and 13.00%. Sourcing is primarily through a network of over 500 education consultants, supplemented by a dedicated in-house sales team.

₹ 876 Crore

AUM as of March 2026

Credit Philosophy and Debt Management

Credit-by-Design

Our Credit-by-Design approach embodies a “risk-first” approach, customer-centric product architecture, and compliant, technology-led execution across every stage of the credit lifecycle. At the core of our Credit-by-Design architecture are three principles: responsible access to credit, transparency in pricing and terms, and resilience through cycles. Rather than treating underwriting, collections and recovery as downstream activities, we design credit products, processes and controls upfront to deliver predictable portfolio outcomes and sustainable growth, as further detailed below.

Credit Underwriting

Our credit underwriting framework is designed to support prudent growth through AI/ML-led, real-time, data-driven decisioning at scale and minimise delinquencies, while preserving asset quality through a risk-first, governance-led approach integrated across the lending lifecycle. The framework combines credit analytics-led decisioning and disciplined portfolio monitoring to ensure consistent and controlled execution at scale. Our credit analytics model combines structured and unstructured data from multiple sources in real-time, including structured data such as credit bureaus, banking and cash-flow data, application and device intelligence, socioeconomic signals and business and trade signals and unstructured data such as identity signals.

Credit underwriting operates within a comprehensive integrated risk management architecture overseen by the Board and the Risk Management Committee, with independent second- and third-line functions providing oversight through a “three lines of defence” model. Policies, guardrails, and risk appetite statements are reviewed periodically to reflect evolving macroeconomic conditions, segment dynamics, and internal performance. Further, credit risk management is anchored in a granular retail-led portfolio strategy with low concentration risk and a balanced mix of secured and unsecured products, supported by rigorous monitoring via through-the-door portfolio quality reviews and early warning systems.

All product programmes are formally documented, approved by the Risk Management Committee, and updated in line with market developments, bureau insights, and portfolio performance learnings. We deploy a credit rule engine and program-level product guardrails to enforce customer selection criteria, exposure and deviation limits, and pricing thresholds; these rules are complemented by AI/ML

scorecards that enable auto-approvals, differential swim lanes, and tighter deviation controls. Credit underwriting leverages multi-bureau data, alternate data (including device data and socioeconomic indicators), bank statement analytics and GST information, supplemented by AI and ML scorecards embedded in the decision engine. These tools inform intent risk, affordability, stability, and fraud controls, enabling sharper segmentation, calibrated risk-reward decisions, and improved turnaround times.

Customer due diligence includes verification of identity, income stability, indebtedness, and repayment capacity using credit bureau reports, financial statements, tax and GST information, as applicable to the product and customer segment. Qualitative and quantitative factors are combined to assess creditworthiness, with scorecard thresholds and rule-based filters tailored by product programme.

For salaried and professional customers, our underwriting framework evaluates credit bureau history, employer profile, income stability, and banking behaviour, while digital journeys enable straight-through approvals for eligible applicants. Our risk-first credit underwriting model spans a variety of AI/ML scorecards and enriched feature stores powering decisions across products. Use cases include account-aggregator-based scoring, multi-bureau triangulation, multi-layer models, fraud detection, and employment verification. These capabilities enable real-time, paperless decisions for select products (including fully digital 24x7 journeys for prime personal loans), reduce first-equated monthly instalment bounces, and improve early bucket performance on new acquisitions, contributing to disciplined scale-up with tight controls.

Our credit underwriting model is tightly coupled with continuous cohort monitoring and early warning signal frameworks that track delinquency emergence and behavioural shifts soon after booking. Insights from performance and bounce analytics feed back into scorecards, cut-offs, and line management controls, improving new-acquisition quality over successive quarters. A dedicated Fraud Control Unit and fraud risk framework deploy real-time analytics, anomaly detection, and coordinated investigations, with oversight by executive committees and the Board. Document tampering detection, identity theft screening, and transaction monitoring are embedded into underwriting and post-disbursal surveillance.

Collections and Recovery

We have established a collections and recovery framework that is digital-first, analytics-led,

and supported by strong governance, enabling predictable performance while the franchise scales across secured and unsecured portfolios. We deploy in-house machine learning models and behavioural scorecards to prioritise delinquency accounts, reduce bounce risk, and optimise channel allocation, which has improved early-stage resolutions and recovery efficiency. Multi-channel management systems drive persona-based strategies. Automated allocation engines drive geo-optimised field allocation to tailor customer engagement and improve the efficiency of field resources. Real-time performance dashboards are deployed for enhanced visibility and governance across internal and outsourced teams.

Digital collections are integrated across call centres, websites, mobile applications, WhatsApp, and bot-led journeys, with AI models determining the appropriate engagement channel, which has helped digitally resolve a significant share of early delinquencies and reduce first-EMI bounces in select segments. Customer service and collections quality are monitored using AI tools for calls, supporting consistent, compliant, and data-driven communication. Our digital collections and recovery operating model emphasises early warning indicators. Cohort-level analytics are designed to manage portfolio flows to improve new acquisition portfolio quality. As a result of these initiatives, we have reported stable credit costs and improving asset quality, underpinned by disciplined collections execution.

For our secured portfolios, we pursue collateral-backed recoveries in accordance with applicable law. For unsecured exposures, our recovery strategies combine digital nudges, structured settlement offers, and field follow-ups, escalated through graduated legal actions as required, with provisioning calibrated to expected credit losses.

Collections governance is overseen with live risk registers, early warning indicators, and alignment to our risk appetite statement, complemented by independent risk, compliance, and internal audit oversight. Operational risk controls extend to outsourced collections through defined standard operating procedures, monitoring tools, and periodic reviews by the Risk Management Committee and Audit Committee.

KEY FOCUS AREAS

• Accelerating Retail Scale with Deep Digital Penetration

We will focus on scaling our retail franchise across core and emerging customer segments through

MANAGEMENT DISCUSSION AND ANALYSIS

fully digital and seamless journeys. Enhanced adoption of data-driven customer acquisition, deeper penetration in Tier II and Tier III markets, and strengthening of the phygital ecosystem will remain key priorities to drive sustainable and scalable AUM growth.

- **Expanding Multi-Product Lending Ecosystem**

Building on recent product launches, we will further diversify our portfolio by scaling high-growth segments such as Prime Personal Loan, Education Loan, Gold Loans, Consumer Durable Finance, and Commercial Vehicle financing. We will also focus on increasing wallet share through cross-sell and lifecycle-based product offerings tailored to evolving customer needs.

- **Driving Profitability through Portfolio Optimisation**

We will continue to optimise our portfolio mix by balancing secured and unsecured lending, with a focus on improving yield while maintaining prudent risk standards. Cost efficiency initiatives driven by automation, centralisation, and operating leverage will support improvement in return ratios and sustained profitability.

- **Advancing AI-Led Enterprise Transformation**

We will deepen our AI-first approach by embedding advanced analytics, machine learning, and generative AI across credit underwriting, fraud detection, collections, customer engagement, and internal operations. This will enable faster decision-making, enhanced accuracy, and scalable efficiency across the value chain.

- **Strengthening Risk, Compliance, and Governance Frameworks**

In a dynamic macroeconomic environment, we will continue to enhance our risk management architecture through advanced credit models, early warning systems, and scenario-based stress testing. Focus will remain on maintaining superior asset quality, robust provisioning buffers, and strong governance standards.

- **Next-Generation Collections and Asset Quality Management**

We will further strengthen our collections infrastructure by leveraging AI-enabled strategies, behavioural segmentation, and digital engagement tools. Real-time monitoring, predictive analytics, and optimised allocation models will drive improved recovery rates and ensure sustained portfolio resilience.

- **Optimising Liability Franchise and Funding Costs**

We will focus on diversifying our liability profile by expanding relationships across banks, capital markets, and institutional investors. Continued emphasis will be placed on optimising cost of funds, maintaining a strong liquidity buffer, and ensuring a well-matched and resilient asset-liability profile.

- **Building a Future-Ready Organisation**

Investments will be made in strengthening organisational capabilities through leadership development, digital HR platforms, and a performance-driven culture. Enhancing execution agility, fostering innovation, and aligning talent with strategic priorities will be critical to sustaining long-term, scalable growth.

These focus areas are aligned with our objective of delivering sustainable, risk-adjusted growth while strengthening our competitive position in a dynamic credit ecosystem.

STRATEGIES

Continue our growth trajectory by enhancing our product offerings in a sustainable and predictable manner

We have scaled our business significantly with AUM reaching ₹ 60,348 Crore, driven through a diversified portfolio of 13 loan products serving multiple customer segments. We are committed to continuing this trajectory through selective product expansion and disciplined execution focused on scalable, and long-term opportunities. For instance, we enhanced prime personal loans in July 2024 and introduced education loans and commercial vehicle loans in March 2025, and gold loans and consumer durable loans in April 2025.

Going forward, we intend to focus on risk-calibrated, predictable growth, by increasing the AUM of products that generate relatively better risk-adjusted returns, including secured lending products such as Loans Against Property and Gold Loans, and unsecured lending products such as Prime Personal Loans and Education Loans. We intend to scale up these products by targeting high-quality customers and maintaining disciplined underwriting standards.

We intend to prioritise products where our underwriting and operating model can deliver risk-adjusted returns, including secured products with collateral-backed loss protection and select unsecured products with calibrated customer selection and portfolio monitoring. These include

Loans against Property, Gold Loans, Education Loans and Prime Personal Loans.

Continue to scale our phygital distribution network to widen reach and lower customer acquisition costs

We intend to further scale our phygital distribution network to expand distribution reach, improve conversion and reduce customer acquisition costs. As we expand our physical distribution network across India, we intend to increase cross-selling among customers at our existing branches, strengthen existing relationships and onboard new external sourcing intermediaries, including DSAs, dealers and education consultants. We also intend to expand our in-house sourcing teams to complement our existing physical distribution network, to improve margins and reduce reliance on external sourcing intermediaries.

In parallel, we intend to strengthen our digital channels (including our website, mobile applications and social media platforms) and deepen platform and aggregator relationships to support scalable, cost-effective customer acquisition.

Continue to undertake technology and artificial intelligence initiatives to reduce operating expenses, improve collection efficiency and ensure effective risk management

We have adopted new and emerging technologies and AI systems across our platforms and continue to invest in them and expand their application across existing and new products and functions. Going forward, we intend to deepen technology and AI-led execution, building on a variety of ongoing AI initiatives. For example, Build Buddy is an AI-powered development assistant that is integrated into our existing technology stack to accelerate application development and improve software quality.

Our technology and artificial intelligence initiatives are central to our objectives of reducing operating expenses, improving collection efficiency and ensuring effective risk management. We intend to reduce AI hallucination across business processes by mitigating the risk emanating from the use of generative AI across underwriting, operations, compliance, among others, to lower per-loan processing costs and improve cost-to-income.

Further, we intend to extensively leverage the use of automation and data analytics, including towards bureau and GST information, to enable precise upfront

risk assessment with minimal human intervention. We also intend to deploy AI-led copilot tools for collection managers to quickly identify next-best actions and red flags at the point of customer contact, to enhance collection efficiency. Moreover, we intend to fully automate account allocation to accelerate speed of collections. We also intend to develop more sophisticated machine learning models, operationalise AI-supported monitoring through “RegIntel” for real-time compliance scanning, to improve our fraud risk analytics, in particular relating to document tamper detection and anomaly detection, to ensure that we maintain a robust risk management framework and a healthy asset quality portfolio.

Continue to strengthen our risk management framework, credit underwriting and collections infrastructure to maintain high asset quality

Our robust risk management framework equips us to address changing market dynamics, customer needs and regulatory requirements. As we continue to expand our AUM, broaden our product offerings and penetrate new markets, we remain committed to maintaining high asset quality by continuously strengthening our risk management practices, credit underwriting processes and collections infrastructure. We plan to further refine our underwriting approach, leveraging advanced analytics and data-driven insights to make more informed credit decisions. Additionally, we will continue to focus on enhancing and optimising our data analytical models to improve our ability to assess risk accurately. We shall further strengthen our collections infrastructure by enhancing our analytical models and digital tools, helping us enhance our collection efficiency and maintain the quality of our AUM.

Continue to maintain our credit ratings and a diversified liability mix to optimise our borrowing costs

As we grow our business, we will continue to diversify our financing sources to optimise our funding cost and duration, supporting competitive product pricing and stable margins. This will enable us to drive business growth, profitability and higher Net Interest Margin.

We will continue to leverage long-term debt instruments, such as non-convertible debentures and external commercial borrowings, to broaden our funding channel and access long-tenor funding at competitive prices. In addition, we will continue



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to broaden our liability base to optimise the tenor of our borrowings and continue to maintain a prudent approach towards asset and liability management to mitigate liquidity risks. We expect these measures to support our credit ratings and funding cost discipline over time.

Strengths**Diversified, multi-product portfolio with a balanced mix of secured and unsecured lending**

We operate a diversified suite of 13 loan products, catering to a wide range of borrower segments, including salaried and self-employed individuals, professionals from diverse backgrounds, students, MSMEs and mid-sized corporates. Our product portfolio comprises Loans against Property, Instant Consumer Loan, Mid-market Loan, Business Loans, Pre-owned Car Loan, Prime Personal Loan, Gold Loan, Education Loan, Professional Loan, Consumer Durable Loan, Machinery and Medical Equipment Loan, Commercial Vehicle Loan and Shopkeeper Loan.

Our AUM is granular and diversified, with ticket sizes typically ranging from ₹ 5,000 to ₹ 50 Crore, as at March 31, 2026. Our portfolio spans tenors of three months to 15 years, and disbursement yields typically ranging from 9.50% to 35%. This breadth across customer segments, ticket sizes, tenors and yields provides multiple growth vectors, supports risk-adjusted returns and reduces concentration risk across products and customer segments.

Our product portfolio encompasses a balanced mix of secured and unsecured lending. As of March 31, 2026, 54% and 46% of our on-book AUM was categorised as secured and unsecured lending, respectively. Our secured lending book provides collateral-backed stability, moderates loss severity and supports prudent provisioning across cycles, while our unsecured lending book typically delivers better risk-adjusted yields and enables agile capital deployment. This calibrated mix diversifies earnings and smoothen credit costs across cycles. This diversified and balanced model has enabled us to grow our AUM to ₹ 60,348 Crore as of March 31, 2026, while maintaining our gross non-performing assets ("Gross NPA") at 1.44% as of March 31, 2026, compared to 1.84% as of March 31, 2025.

1.44%

GNPA as of March 2026

Strong brand equity, experienced leadership and high corporate governance standards

As a part of the Cyrus Poonawalla Group, we continue to benefit from a strong legacy and brand trust. Our association with the Cyrus Poonawalla Group reinforces perceptions of financial prudence, compliance and operational discipline, supporting customer acquisition and retention and strengthening investor confidence.

The leadership team brings deep expertise and a clear strategic focus on technology-led growth, asset quality, and operational excellence. We benefit from an experienced and professional management team with deep domain expertise across financial services, risk management, technology, compliance, and operations, with an average experience of over 25 years for our KMPs and SMPs. Our products are segregated into consumer lending and commercial lending verticals, each led by a Chief Business Officer with each product line led by a business head supported by national level managers, providing focused execution and accountability.

Our governance architecture is designed to support high standards of transparency, accountability and stakeholder protection. We operate under a Board framework with an appropriate mix of Executive, Independent, Non-Executive and Non-Independent Directors, Board committees, including the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, among others. Our policies and controls encompass credit policy, related party transactions, fit and proper criteria, anti-bribery and anti-corruption, whistle-blower mechanisms, information security and data privacy protocols. This emphasis on experienced leadership and robust governance fosters a strong culture of ethics and disciplined risk management, supports sustainable growth and enhances the resilience and credibility of our business model.

In FY26, we continued to steer our roadmap effectively amidst evolving macro uncertainties, with a focus on risk-calibrated expansion and customer-centric innovation.

Prudent capital and robust risk management framework

We operate a robust risk management framework grounded in a credit-by-design, "risk-first" philosophy. We prioritise risk management and asset quality to pursue growth that is sustainable, predictable and disciplined. Our framework spans the entire lending lifecycle, including prospecting, underwriting, portfolio monitoring, collections, fraud risk, information security

and compliance, thereby strengthening our risk management framework and supporting disciplined, scalable growth.

We have strengthened our underwriting and collections through AI-powered models, credit bureau integrations and early warning systems. Our collections framework incorporates ML analytics models and behaviour scorecards to improve our collection efficiency. This has led to an improvement in the asset quality of consumer lending portfolio, as indicated by a reduction in the share of disbursed amounts that are 30 days past due after six months from disbursement (6MOB30+) to 1.05% for Q2FY26 from 6.74% for the loans originated in the Q1FY25.

We further reinforce risk discipline through a Board-constituted Asset Liability Management Committee ("ALCO"), which reviews changes in the economic environment and suggests suitable strategies for effective resource management, managing our cost of funds and ensuring responsiveness to market conditions. Further, we manage liquidity and interest rate risks through ALM policies, daily liquidity coverage ratio monitoring, duration sensitivity analysis, and periodic stress testing through our ALCO. We also maintain a Board-approved Internal Capital Adequacy Assessment Process (ICAAP) framework in accordance with applicable RBI guidelines, pursuant to which we assess the adequacy of our capital relative to our risk profile on a forward-looking basis.

Our robust risk management framework, which fosters a prudent risk culture across our Company, has helped us maintain relatively low NPA levels. Our gross NPAs as a percentage of gross advances were 1.44%, and 1.84% as at March 31, 2026, and 2025, respectively, while our net NPAs as a percentage of our gross advances were 0.74%, and 0.85%, respectively. Our provision coverage ratio as at March 31, 2026, and 2025 was 49%, and 54.47%, respectively.

We sustained a disciplined risk and capital management approach, ensuring resilience across cycles. As of March 31, 2026, Poonawalla Fincorp continued to maintain a strong Capital to Risk (Weighted) Assets Ratio (CRAR), well above regulatory requirements. Gross NPA and Net NPA levels remained among the lowest in the industry. Provision Coverage Ratio (PCR) remained strong, supported by prudent provisioning across portfolios. We maintained top-tier credit ratings CARE AAA/Stable and CRISIL AAA/Stable, reaffirming our robust financial profile and market credibility.

Digital innovation, effective and efficient use of technology and artificial intelligence and governance-first approach

We operate a digital-first, AI-led platform embedding automation and analytics across the lending cycle, including sourcing, underwriting, disbursal, servicing and collections. Digital and analytics capabilities are central to our operational model, enabling speed, precision, and scalable productivity.

Our technology stack incorporates risk-ranking, fraud controls, and early warning analytics to strengthen portfolio quality. We have implemented automated allocation systems, real-time monitoring dashboards, and campaign management platforms to enhance collections efficiency, productivity, and multi-channel engagement.

Our platform enables end-to-end digitised lending, including paperless onboarding and business rules engine-led decisioning, supported by a data lake for real-time segmentation, lead scoring, and risk profiling. Customer platforms have been enhanced to enable real-time tracking, seamless digital journeys, and AI-enabled assistance. We are also leveraging generative AI to derive insights and improve campaign effectiveness.

During the year, we continued to advance AI-led initiatives across underwriting, collections, fraud detection, and enterprise workflows to improve productivity and cost efficiency. As of March 31, 2026, we advanced 76 AI initiatives, including 42 deployed and 34 underway, spanning credit, analytics, risk, compliance, operations, and customer service.

We have also established an AI-driven marketing technology ("MarTech") stack to enhance customer acquisition and engagement through automated, real-time campaign management. In addition, an AI-powered underwriting assistant has been deployed to improve consistency, reduce manual effort, and strengthen credit decision-making.

In FY26, we further deepened our digital-first operating model, with loan sourcing increasingly driven through digital channels and customer interactions supported through digital platforms. A robust backend architecture enables end-to-end digital journeys with reduced turnaround times and improved customer experience. AI-led initiatives continue to enhance precision, efficiency, and reliability across functions.

Technology and AI remain key enablers in driving scalable growth, operational efficiency, and risk-adjusted performance.



MANAGEMENT DISCUSSION AND ANALYSIS

Extensive phygital distribution network, cost-efficient distribution model

Our physical model continues to blend digital scale with physical outreach. Strategic integrations with fintechs, aggregators and digital ecosystem helped expand reach and maintain acquisition cost efficiencies. This architecture supported the scaling and diversification of multiple product offerings.

We operate a 'phygital' distribution model, blending physical and digital channels to reach a wider set of customers, increasing operational efficiency and reducing costs. Our physical distribution network comprised 500+ branches across 20 states and Union Territories, over 2,700 channel partners, over 12,500 dealers (including retailers and OEMs), 500+ education consultants and 6 call centres, as of March 31, 2026. Our digital channels include our website, mobile application, social media platforms and collaborations with third-party digital platforms and aggregators. Our website had over 7.5 Million visits in March 31, 2026, our mobile application had over 10 Million downloads, and our social media platforms cumulatively had 1.05 Million followers. Our collaboration with digital platforms and aggregators expands our digital reach, facilitates digital origination and reduces turnaround time across our platforms. For instance, we collaborate with digital platforms and aggregators to tap into their large user base, driving high-volume, digital consumption loans and providing instant, paperless consumer loans to salaried and self-employed customers with stable credit histories.

Our phygital distribution model enables us to tailor distribution strategies by product, customer segment and geography, optimising cost efficiency and customer experience. Our range of touchpoints allows us to deploy the most cost-efficient channels for each product, customer segment and geography. For example, our branches and our collaboration with digital aggregators are generally cost-efficient for us to disburse gold loans and instant consumer loans, respectively, while for our other products such as loans against property, DSAs and our in-house sourcing teams are cost-effective channels.

Further, our phygital distribution network ensures personalised customer experience across platforms, enabling cross-channel engagement and conversion. Our phygital distribution network also enables customers to initiate and complete journeys across their preferred channel, enhancing conversion, engagement and satisfaction.

High credit rating with a diversified liability profile

We have long-term credit ratings of CRISIL AAA/Stable and CARE AAA/Stable, short-term ratings of CRISIL

A1+ and CARE A1+ and our perpetual bonds are rated CRISIL AA+/Stable and CARE AA+/Stable, as of March 31, 2026, reflecting our strong credit position. Our non-convertible debentures are also rated BWR AAA/Stable and ACUTE AAA/Stable by Brickwork Ratings India Private Limited and Acute Ratings and Research Limited, respectively. Our diverse liability profile across instruments and counterparties reduces refinancing risk and enhances funding stability. Our strong credit ratings enable us to borrow from a diverse pool of domestic and international lenders at competitive rates. We have borrowing relationships with a variety of public sector banks, private sector banks, foreign banks, financial institutions, mutual funds, insurance companies, among others. As of March 31, 2026, we had borrowings at fixed and floating rates, across instruments including short- and long-term loans from banks, non-convertible debentures, commercial paper and external commercial borrowings, providing depth and flexibility in market access.

As part of our asset-liability management strategy, we have increased the share of our longer-tenor borrowings, by raising non-convertible debentures of ₹ 13,580 Crore and subordinated debt of ₹ 250 Crore during the year ended March 31, 2026, thereby enhancing our maturity profile and financing durability. As of March 31, 2026, based on residual maturity, 63.68% of our borrowings were long-term borrowings, and 36.32% of our borrowings were short-term borrowings. Our strong credit rating, diversified liability base and an optimised mix of short- and long-term liabilities have supported a measurable reduction in our cost of borrowings.

Growing scale of operations while maintaining resilient asset quality

We have delivered strong financial performance marked by growth, robust capitalisation and resilient asset quality. Our AUM grew to ₹ 60,348 Crore as of March 31, 2026. Our revenue from operations grew to ₹ 6,790 Crore for the year ended March 31, 2026 from ₹ 4,190 Crore for the year ended March 31, 2025. Our capital position remains healthy with a CRAR of 16.83% as of March 31, 2026, above the regulatory requirement of 15.00%. Our asset quality remains resilient with Gross NPA of 1.44% and Net NPA of 0.74% as of March 31, 2026, supported by a provision coverage ratio of 49.00%.

Opportunities

Expanding digital credit penetration in Tier II+ markets

India's continued digitisation, particularly in Tier II to Tier IV markets, continues to present significant

growth potential. Increasing smartphone penetration, improved digital literacy, and rising credit aspirations among underserved populations enable us to further tap into a vast, underpenetrated borrower base with tailored, digital-first products.

Deepening presence in high-growth retail and MSME lending segments

Our product suite comprising existing products i.e. Personal Loans, Professional Loans, Business Loans, Loans Against Property (LAP), and Pre-Owned Car Finance & new products i.e. Prime Personal Loans, Education Loan, Commercial Vehicle Loans, Consumer Durable Loans, Shopkeeper Loans & Gold Loans continues to be well-aligned with evolving consumer and small business credit demand. FY26 saw strong traction across key products, with significant headroom remaining for further market share gains.

Strategic partnerships and embedded finance

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

Threats

Intensifying competitive landscape

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

Geopolitical and economic uncertainty

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

RISK MANAGEMENT

We continue to strengthen our Integrated Risk Management (IRM) framework to effectively identify, assess, and manage risks across all areas of operations. This framework, approved by the Board and reviewed periodically, covers a comprehensive range of risks including Credit Risk, Interest Rate Risk, Operational

Risk, Market Risk, Liquidity Risk, Compliance Risk, Reputational Risk, Financial Risk, and People Risk. A strong focus is placed on continuous monitoring through Key Risk Indicators (KRIs), ensuring that risk exposures remain aligned with our strategic objectives and risk appetite.

Our risk management philosophy is guided by clearly defined principles, including a well-articulated Risk Appetite Statement, strong governance and independent oversight, forward-looking risk assessments, robust policy frameworks with defined guardrails, and extensive use of analytics and bureau data to support informed decision-making.

A proactive approach is adopted towards emerging risks, with early warning systems and scenario-based assessments enabling timely interventions, particularly in areas such as credit quality and liquidity management. This ensures resilience in a dynamic and evolving financial environment.

The IRM framework is actively driven by Senior Management, reflecting a culture where risk awareness is embedded into day-to-day decision-making. We have developed a risk management architecture which involves monitoring by our Board of Directors through the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee.

The Audit Committee serves as a link between statutory/internal auditors and the Board, overseeing accounting policies, reviewing audit reports, and discussing findings. It has full access to information and can seek external advice when required. The Asset Liability Management Committee convenes periodically to review our asset-liability position, borrowing costs, fund costs, and the sensitivity of projected cash flows, including conducting stress testing across short and long-term horizons and monitoring policies on liquidity, interest rates, and investments.

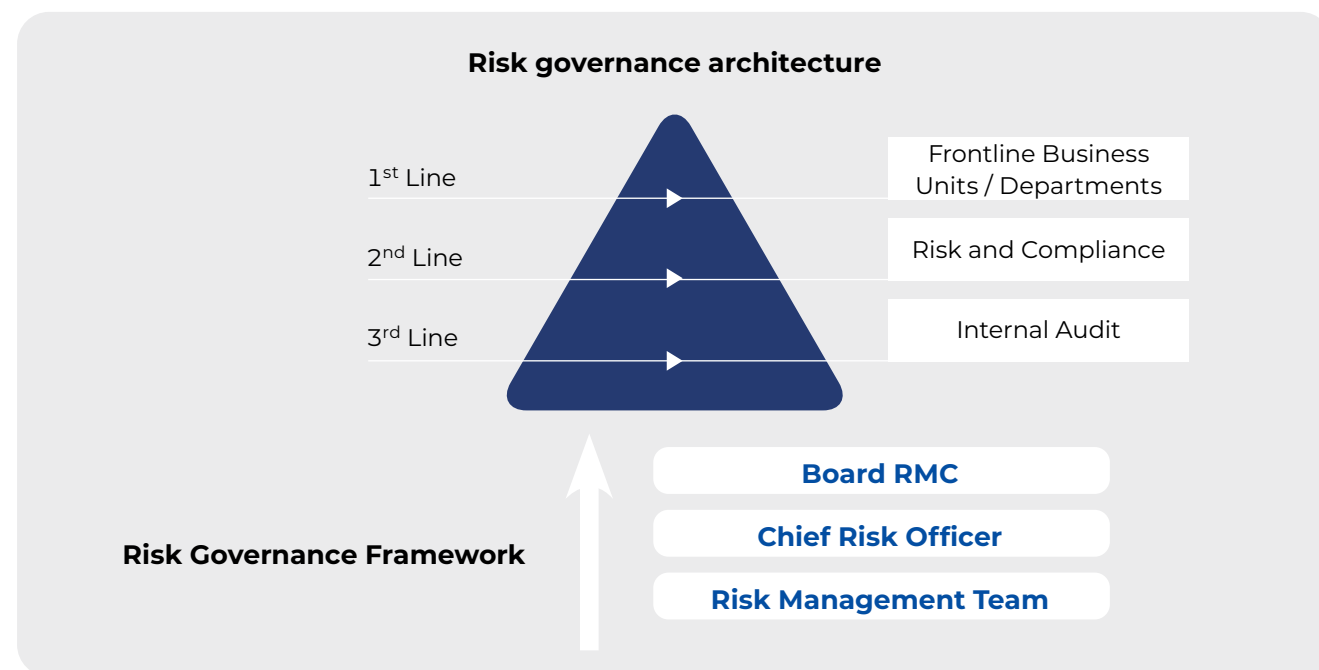
The Risk Management Committee oversees the integrated risk framework and periodically reviews the effectiveness of risk management policies.

The Risk Management function is led by the Chief Risk Officer (CRO), who oversees all risk categories across businesses, products, and processes. The CRO plays a critical role in strengthening governance, enhancing risk frameworks, and ensuring consistency in risk practices across our organisation.

This structured and integrated approach enables us to maintain strong risk discipline, enhance decision-making, and safeguard long-term financial stability while supporting sustainable growth.

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The risk governance framework is depicted in the chart below:



RISK MANAGEMENT ARCHITECTURE



CREDIT RISK

We continue to adopt a robust and well-structured approach to managing credit risk, ensuring that every loan sanction and booking is subject to an independent and disciplined approval process. This process is anchored in clearly defined product policies, stringent customer selection criteria, well-calibrated credit acceptance standards, and a comprehensive underwriting framework. Through this approach, we evaluate each customer holistically, considering both financial and non-financial parameters to enable balanced and informed credit decisions.

Management of the Risk

Credit Policy Framework

All product programmes are formally documented and approved by the Risk Management Committee of the Board. These programmes are periodically reviewed and refined to remain aligned with evolving macroeconomic conditions, industry trends, segment-specific dynamics, insights from credit bureau data, and our internal portfolio performance. This ensures agility and responsiveness in a dynamic credit environment.

Credit Risk Management Policy

We have established a comprehensive Credit Risk Management Policy that defines the overall risk framework. The policy outlines exposure norms, identifies sensitive sectors, sets portfolio guardrails, and incorporates regulatory guidelines governing loans and advances. This structured approach enables disciplined portfolio construction and risk containment.

Credit Approval and Administration

Credit approval and administration are driven through a combination of a robust Credit Rule Engine and the expertise of experienced credit professionals, supported by a well-defined delegation of authority framework. This integrated approach ensures consistency, speed, and prudence in credit decision-making.

Portfolio Quality Monitoring

Maintaining portfolio quality remains a key priority. We undertake continuous monitoring of our loan book using multiple early warning indicators to promptly detect emerging stress. In addition, periodic portfolio reviews and hindsight analyses are conducted to identify trends and strengthen credit policies. These measures help enhance asset quality, minimise potential losses, and reinforce our resilience and long-term financial stability.

INTEREST RATE RISK

We extend loans largely at fixed interest rates, while our borrowings are sourced at both fixed and floating rates for defined tenures. Interest rates remain highly sensitive to multiple factors, including the monetary policies of the Reserve Bank of India, financial sector deregulation, and prevailing domestic and global economic, political, and inflationary conditions.

Management of the Risk

We maintain an asset liability management policy, which has been approved and adopted by our Asset Liability Management Committee of the Board. Assets and liabilities are categorised into various time buckets based on their maturities. Efforts are made and action plans are drawn to ensure minimum mismatch in each of the time buckets in line with guidelines prescribed by the RBI.

ASSET RISK

Asset risk arises from a decline in the value of collateral over time, which may result in recovery proceeds from repossessed assets being lower than the outstanding loan and interest. Consequently, our Company may not be able to fully recover its dues and may also encounter practical and execution challenges during the collateral enforcement process.

Management of the Risk

Our Company engages experienced repossession agents to recover assets from defaulting customers and ensures that they adhere to legal procedures while exercising due care in handling customers during the repossession process.

REGULATORY RISK

Regulatory risks are those arising from changes in laws, regulations, or compliance requirements that may impact a company's operations, financial performance, or strategic decisions. We operate in a highly regulated environment, with strict adherence to applicable laws and regulations being critical to our operations. As a middle-layer NBFC, we are regulated by the Reserve Bank of India and subject to periodic regulatory inspections.

Management of the Risk

We maintain a dedicated compliance function, headed by the Chief Compliance Officer, which oversees compliance risk and ensures adherence to all applicable regulatory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL RISK

In FY26, the Operational Risk (OR) function continued to play a critical role in identifying, assessing, monitoring, and mitigating risks across our organisation. Through structured Risk and Control Self-Assessment (RCSA) exercises, Internal Financial Control (IFC) testing, ongoing monitoring of Key Risk Indicators (KRIs), and targeted action plans to address process gaps, we further strengthened our operational risk framework.

The OR team supports senior management through periodic risk reviews and provides quarterly updates to the Operational Risk Management Committee (ORMC) and the Risk Management Committee (RMC), ensuring strong governance and oversight.

Operational Risk Management Policy

We have a well-defined Operational Risk Management Policy that outlines our approach to identifying, assessing, and mitigating operational risks. This policy serves as a guiding framework, ensuring consistency and discipline in risk management practices across functions.

Governance Structure

A robust governance structure underpins the operational risk framework, clearly defining roles, responsibilities, and accountability across the organisation. This ensures effective oversight and timely implementation of risk mitigation initiatives.

Identification and Monitoring Tools

We leverage advanced tools such as Risk and Control Self-Assessment (RCSA) and Key Risk Indicators (KRIs) to enable continuous monitoring and early identification of potential risks. These tools support proactive risk management and informed decision-making.

Reporting and Communication

A structured reporting framework, supported by standardised templates and defined reporting timelines, ensures consistent communication of operational risk insights. This enhances transparency and enables timely escalation and resolution of key risk issues.

Culture of Risk Awareness

Regular training sessions, workshops, and awareness initiatives are conducted to foster a strong risk culture within our organisation. Employees are encouraged

to adopt a proactive approach towards identifying and managing risks, thereby strengthening overall organisational resilience.

Three Lines of Defence Approach

First Line of Defence: Business and operational teams are responsible for managing risks within their respective functions through regular process reviews and transaction-level checks, enabling early identification and resolution of issues.

Second Line of Defence: The independent Risk and Compliance function provides oversight, develops risk frameworks, and collaborates with business teams to implement effective risk mitigation strategies, with periodic reviews by the Risk Management Committee.

Third Line of Defence: The Internal Audit function conducts risk-based audits across functions and processes, providing independent assurance to the Audit Committee on the effectiveness of internal controls and risk management practices.

FRAUD RISK MANAGEMENT

Fraud poses a significant risk to our organisation by potentially disrupting operations and diverting valuable resources. It can also adversely impact our reputation and erode stakeholder trust in maintaining transparency and accountability. To address this, we have established a comprehensive governance framework focused on preventing, detecting, reporting, and managing fraud and related risks effectively.

We continue to strengthen our fraud risk management capabilities through a dedicated Fraud Risk Management Unit (FRMU), which is responsible for monitoring, investigating, detecting, and preventing fraud incidents. The FRMU has been further enhanced during FY26 to address evolving fraud risks, particularly in a digital and technology-driven environment. Our Company maintain a zero-tolerance approach towards fraud, whether involving employees or external parties, and remains committed to strengthening awareness, controls, and detection mechanisms across our organisation.

As part of the second line of defence, the Fraud Risk Management function continuously monitors compliance, assesses fraud risks, and reports key developments to senior management. The FRMU operates under the oversight of the Chief Risk Officer and ensures that all fraud cases, as per regulatory requirements, are reviewed by the Committee of Executives and subsequently reported to the Audit Committee and the Board of Directors.

Our Company has established a well-defined Fraud Risk Management Policy, which is periodically reviewed and updated. Key processes are evaluated through operational and fraud risk assessments to identify potential vulnerabilities, supported by cross-functional training and awareness initiatives.

Risk Assessment

Comprehensive fraud risk assessments are conducted and insights from investigations are systematically analysed and incorporated into policies and processes to address gaps and strengthen controls.

Information & Communication

A structured communication framework is in place to capture and address potential fraud risks and enforce a risk-first culture. The whistle blower mechanism enables reporting of suspicious activities, while coordinated investigation and remediation processes ensure timely and appropriate action.

Monitoring and Early Warning System (EWS)

All fraud incidents are reported in accordance with regulatory requirements and are periodically reviewed by the Committee of executives. Updates are shared with the Audit Committee and the Board, ensuring transparency, oversight, and continuous strengthening of the fraud risk management framework. An Early Warning System (EWS) is deployed to detect early indicators of fraud risk in line with the extant regulatory guidelines.

MARKET RISK

Market risk has the potential to adversely impact our financial position due to fluctuations in market prices - including changes in interest rates, foreign exchange rates, and equity and commodity prices. To safeguard our organisation against these uncertainties, we continue to adhere to a Market Risk Management Policy.

Management of the Risk

To manage the liquidity of our portfolio effectively while minimising market risk, we continue to focus our investments on fixed income securities. This strategy is primarily aimed at liquidity management, with a keen awareness of the key risks inherent to fixed income investments, namely interest rate risk and credit risk. Our investment approach is carefully calibrated to prioritise securities that present negligible to low credit risk. Additionally, we employ prudent duration targeting to mitigate the impact of interest rate fluctuations, ensuring that our investment practices

remain aligned with our risk appetite and overall financial health objectives.

FOREIGN EXCHANGE RISK

Any foreign currency exposure undertaken by our Company continues to be adequately hedged as a measure of robust risk management. The hedging framework is laid out in the Board approved risk management policy of the Company.

LIQUIDITY RISK

Liquidity risk arises from mismatches in the maturities of our borrowed and disbursed funds, potentially affecting our ability to fulfil obligations and achieve business goals. It is crucial to ensure minimal disparity between the tenure of borrowed funds and the assets they finance. Our efforts continue to be geared towards maintaining an optimal asset-liability match in terms of both tenure and interest rates, thereby safeguarding our financial stability and operational fluidity.

Management of the Risk

Our approach to managing liquidity risk continues to be guided by rigorous fund management practices and a focused effort on diversifying our borrowing portfolio. This diversification strategy enhances the resilience of our funding sources and expands our lender base across various segments, including public and private sector banks, insurance companies, mutual funds, pension funds, financial institutions, corporates, and foreign portfolio investors.

In pursuit of liquidity risk mitigation, our Company continues to maintain a diversified liquidity mix, characterised by a level of unutilised bank limits, partially drawn bank lines, and on-balance-sheet liquidity reserves such as T-Bills, Government Securities, REPO instruments (CROMS), fixed deposits, liquid funds, and overnight funds. These measures collectively contribute to our capability to manage liquidity risk efficiently while maintaining an optimal liquidity level.

Central to our liquidity risk management framework is the Asset Liability Management Committee (ALCO). The ALCO convenes periodically to review our asset-liability position, borrowing costs, fund costs, and the sensitivity of projected cash flows, including conducting stress testing across short and long-term horizons. Based on its assessments, the ALCO proposes corrective actions to address any identified gaps. Additionally, the ALCO remains attuned to changes in the economic landscape and financial markets, formulating recommendations for effective

MANAGEMENT DISCUSSION AND ANALYSIS

resource allocation. This forward-looking approach ensures continuous alignment with our financial risk management objectives, encompassing asset-liability, foreign currency, and liquidity risk management.

Being a “AAA” rated company further continues to enhance our ability to raise funds at competitive rates.

PEOPLE RISK

Recognising that our workforce continues to be our most invaluable asset, we prioritise fostering a work environment conducive to both the professional growth and wellbeing of our employees. Our organisational policies continue to be designed to ensure a workplace that is healthy and safe while being inclusive and free from any form of discrimination or harassment. This commitment to our employees enables us to attract, engage, and retain top talent, thereby creating enduring value for our customers and stakeholders alike.

Management of the Risk

Skilled Manpower Availability

We continue to actively address the challenge of sourcing candidates who possess the requisite skill set and experience while aligning with our organisational culture. This involves leveraging advanced recruitment strategies and developing partnerships with educational institutions to tap into a broader and future-ready talent pool.

Productivity Risk

To mitigate productivity risks associated with evolving skill requirements and the time-intensive nature of hiring or replacing personnel, we have further strengthened comprehensive onboarding and training programmes. These initiatives are designed to accelerate proficiency and ensure that new hires contribute effectively within a shorter timeframe.

Succession Planning

Understanding the importance of leadership continuity for business sustainability, we have further strengthened a structured approach to succession planning. This strategy includes identifying potential leadership gaps and nurturing a strong pipeline of internal candidates equipped to assume these roles when the need arises.

CYBERSECURITY RISK

We recognise cybersecurity risk as a critical concern - reflecting the potential for unauthorised data access by unethical hackers. This could lead to financial, reputational, and legal repercussions. The emergence of sophisticated threats like zero-day attacks, viruses,

ransomware and spyware such as Pegasus reflects the increasing complexity of cybersecurity challenges. To safeguard against these vulnerabilities, our Company continues to strengthen a robust risk management framework centred on employee awareness and preventive training.

Management of the Risk

Risk Governance Structure

We have a dedicated information security risk management team, led by the Chief Information Security Officer (CISO), that oversees the governance framework and execution of our information security operations. Our Information Security function is structured across three specialised domains: (i) Governance & Risk Compliance (GRC), (ii) Security Assessment, and (iii) Technology and Security Operations.

Employee Awareness and Training

Our cybersecurity strategy continues to be rooted in comprehensive training aimed at educating employees about digital safety practices. The training programmes cover safe digital behaviours, awareness of phishing and vishing scams, and the importance of avoiding downloads from unverified sources. Simulated phishing exercises are conducted to test and reinforce these practices among the staff.

Executive Training

Specialised training sessions continue to be held for CXOs and senior management, focusing on high-level fraud risks and artificial intelligence tools for security enhancement. These targeted sessions equip our leaders with the knowledge to navigate the evolving cyber threat landscape effectively.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

We have adopted the ICAAP framework as enunciated in the Master Directions - RBI. As part of the risk assessment under the ICAAP framework, we have quantified capital requirements for all material risks that our Company is exposed to and stress scenarios pertaining to these risks. The recent ICAAP exercise indicates that our Company has sufficient capital cushion available to meet its capital requirements after factoring in material risks as well as stress testing scenarios.

INTERNAL CONTROL SYSTEM

The Management has laid down a set of standards, processes and structure which enables us to implement internal financial controls across the organisation with reference to financial statements and such controls

are adequate and are operating effectively. An internal finance control framework has been established in line with Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the ‘Guidance Note’). During FY26, testing was conducted basis process walkthrough and review of samples as per documented controls in the Risk and Control matrix. Testing was done for the planned controls confirming the existence and operating effectiveness of controls over financial reporting. Review was performed on design, adequacy and operating effectiveness of the controls. The internal financial controls are supplemented by extensive internal audits, regular reviews by the Management and standard policies and guidelines to ensure reliability of financial and all other records to prepare financial statements, their reporting and other data. The Audit Committee of the Board reviews internal audit reports given along with Management responses. The Audit Committee also monitors the implemented suggestions. We have, in all material respects, adequate internal financial control over financial reporting and such controls are operating effectively considering the methodology of sample-based control testing conducted. The Joint Statutory Auditors of the Company have also certified the existence and operating effectiveness of the internal financial controls relating to financial reporting as of March 31, 2026. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

Commitment to Continuous Improvement

We remain committed to continuously strengthening our internal control systems in line with evolving regulatory requirements and global best practices. By aligning our controls with our digital transformation journey, we aim to enhance governance, operational excellence, and stakeholder confidence.

HUMAN RESOURCE

People Count at Every Step

At our organisation, people remain the cornerstone of sustainable growth. The Human Resources (HR) continues to play a pivotal role in enabling our strategic ambitions by driving organisational effectiveness, cultivating future-ready capabilities, and embedding a high-performance, values-led culture.

During FY26, the HR accelerated its transformation journey with a strong focus on agility, digitalisation, and scale, leveraging AI, analytics, and automation across the employee lifecycle. These initiatives were anchored in alignment with Vision 2027, strengthening decision-making, enhancing employee

experience, and building leadership depth to support our next phase of growth.

Aligning HR Strategy with Organisation Goals

A key priority during the year was deepening the alignment between people strategy and organisational priorities. HR interventions were designed to support business growth, operational excellence, and cultural consistency while remaining aligned with our value framework - CREDIT.

Enhanced collaboration between Talent Acquisition, Learning & Development, and business leaders ensured that hiring strategies, capability building, and workforce planning were closely aligned to evolving business needs and emerging skill requirements, particularly in digital, analytics, and AI-enabled roles.

Cultivating a Culture of Transparency, Trust & Performance

To strengthen transparency, engagement, and inclusion, the HR function continued to invest in digital-first, employee-centric practices, reinforcing a culture of openness and accountability.

Key initiatives during the year included:

- **MD’s Honour Framework:** Expansion of this flagship recognition platform to celebrate exemplary contributions, foster innovation, and reinforce a high-performance culture.
- **Employee Communication & Connect:** Strengthening of real-time communication channels, including enhanced use of HR digital platforms and WhatsApp-based touchpoints, ensuring faster dissemination of information and improved employee responsiveness.
- **Governance & Ethics:** Continued oversight by the Committee of Executives on AI governance to ensure responsible adoption, ethical use, and effective risk management.
- **Employee Grievance Redressal:** Further strengthening of grievance guidelines with emphasis on consistency, empathy, transparency, and timely resolution.
- **Job Architecture & Compensation:** Ongoing Job Evaluation, Job Sizing, and Job Benchmarking exercises to ensure internal equity, external competitiveness, and role clarity across our organisation.

Productivity and Performance Culture

To enable clarity of objectives and performance differentiation, department-level scorecards were further strengthened, linking measurable outcomes

MANAGEMENT DISCUSSION AND ANALYSIS

with process adherence through objective, transparent, and verifiable metrics.

Mid-Year Grade Progression processes were enhanced through calibrated guidelines and structured evaluation frameworks, reinforcing fairness, consistency, and meritocracy in career progression. These interventions have contributed to improved decision-making, stronger accountability, and a sustained focus on productivity and execution excellence.

Employee Wellbeing and Work-life Integration

Recognising that employee well-being is integral to sustained performance, we continued to strengthen holistic well-being initiatives:

- Enhanced flexible work hours and refined work-from-home guidelines, fostering an inclusive, high-performance work environment.
- Continued wellness leave for annual health check-ups, promoting preventive healthcare.
- Expansion of medical insurance benefits, including focused coverage for women’s health and initiatives such as cervical cancer vaccination.
- Ongoing insurance support helplines and digital assistance.
- Fun-with-Fitness initiatives across locations to encourage physical and mental wellbeing.

Regular MD’s Townhalls remained central to reinforcing transparent communication, strategic alignment, and two-way engagement between leadership and employees.

Fostering Continuous Learning & Leadership Capability

Building future-ready talent remained a strategic priority. A comprehensive Training Need Analysis guided the deployment of targeted development interventions across levels.

Key Capability-building Initiatives

- **Induction – Prarambh:** Strengthening of the integrated 5-day induction program combining policy, product, systems, and skill enablement, supported by a robust onboarding framework, contributing to sustained low attrition and faster time to productivity.
- **Skill-up Digital Learning Platform:** Continued high adoption and consumption, supported by a strengthened network of internal functional trainers.
- **Leadership Development Journeys:** Ongoing structured 6-month programmes for first-time and existing managers, tracking behavioural change, productivity improvements, and attrition outcomes.

- **Career Development & Planning (CDCP):** Further strengthening of the CDCP and Young Leaders Development initiatives, enabling faster role readiness and leadership pipeline creation.
- **Succession Planning:** The NRC and Board continued to oversee structured succession planning for Board and Senior Management roles, ensuring leadership continuity and depth up to two levels below the Managing Director.

AI-enabled Coaching and Leadership Excellence

Leveraging advanced AI for capability development, we launched several pioneering initiatives:

- **AI-based Sales Coaching:** An immersive, scenario-based virtual coaching platform enabling front-line teams to practice real-world sales conversations and receive objective, data-driven feedback.
- **Leadership Coaching for Excellence:** A structured 4-month coaching journey in partnership with globally renowned partner, with the cohort of 21 leaders completing immersive modules focused on coaching behaviours, EQ-led leadership, and ownership-driven conversations.
- **Lead Forward - AI Coach:** An AI-powered, on-demand coaching platform launched for a select cohort of managers, enabling personalised development plans, rehearsal of complex conversations, and application of 190+ proven coaching and business models. Early adoption has demonstrated strong engagement and sustained usage.

Leveraging Technology, AI and Analytics for HR Innovation:

Building on the strong digital HR foundation established in prior years, FY26 saw a clear shift from process automation to intelligence-led decision enablement within the Human Resources function. Technology, AI, and advanced analytics were increasingly deployed to generate predictive insights, enable scale, and strengthen workforce outcomes while preserving governance and employee trust.

Advanced Workforce Intelligence and Predictive People Analytics

During the year, HR deepened the use of analytics and machine learning to move beyond transactional hiring efficiency toward outcome-oriented talent decisions. AI models were leveraged to evaluate candidate-role fit, expected tenure, and early performance signals, enabling more informed hiring and workforce planning decisions as the organisation scales.

People analytics capabilities were further embedded to identify early attrition risk, support targeted interventions, and inform capability deployment across high-growth functions. These insights enabled leaders to make proactive, data-backed decisions on talent allocation, internal mobility, and succession readiness.

Intelligent HR Operations and Employee Self-Service

AI-enabled conversational tools continued to mature as a core HR operations layer, enabling faster query resolution, reduced manual dependency, and consistent employee experience at scale. Insights generated from employee interactions are now being leveraged to improve policy clarity, strengthen service design, and proactively address recurring employee concerns, contributing to improved operational efficiency and experience consistency.

These initiatives support the broader “Zero Clicks” HR vision, where employees are empowered to access information and services seamlessly, with HR teams increasingly focusing on strategic workforce priorities.

HR as a Strategic Enabler of Enterprise AI Adoption

Within the enterprise-wide AI transformation, HR has played a dual role both as a beneficiary and a strategic enabler. HR capabilities support enterprise AI adoption through talent forecasting, capability readiness assessments, and leadership enablement across AI-intensive functions, ensuring that skill supply keeps pace with technological advancement.

In parallel, AI usage in HR is tightly integrated with cross-functional platforms, reinforcing consistency in governance, data architecture, and ethical standards across our organisation.

Responsible AI and Governance Oversight

As AI adoption deepened, continued emphasis was placed on responsible implementation and human-in-the-loop governance. Structured oversight mechanisms ensure that AI-driven people decisions remain transparent, auditable, and aligned with our risk-first philosophy.

Key focus areas include mitigating bias in people analytics, maintaining decision explainability, safeguarding employee data privacy, and reinforcing accountability through leadership oversight. These measures reinforce confidence among employees, leaders, and regulators while enabling responsible scale.

Way Forward

Going ahead, HR will continue to evolve from a digital function to an intelligence-driven strategic partner,

deepening the application of predictive analytics, AI-enabled workforce planning, and decision support systems. The focus will remain on building scalable, ethical, and insight-led HR capabilities that strengthen leadership effectiveness, enhance employee experience, and support our long-term growth trajectory.

Prevention of Sexual Harassment at Workplace

We maintain zero tolerance towards sexual harassment and have fully complied with the provisions of the POSH Act, 2013. The Internal Committee remains appropriately constituted, and awareness continues to be strengthened through digital learning modules. No cases were reported during the year under review, reaffirming the Company’s commitment to a safe, respectful, and inclusive workplace.

Number of employees employed as on March 31, 2026

Number of employees employed as on March 31, 2026 stood at 5,860.

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains certain forward-looking statements relating to our future business prospects, strategies, objectives, plans, outlook, and expectations, which are based on current assumptions, forecasts, and estimates. These statements may be identified by words such as “expects”, “intends”, “aims”, “anticipates”, “believes”, “plans”, “projects”, “will”, “shall”, “may”, “would”, “could”, or similar expressions.

Such forward-looking statements are subject to known and unknown risks, uncertainties, and other factors beyond our control that could cause actual results, performance, or achievements to materially differ from those expressed or implied in such statements. These risks and uncertainties include, but are not limited to, changes in regulatory and policy frameworks, evolving economic conditions (domestic and global), fluctuations in interest rates, demand-supply dynamics, taxation policies, changes in consumer behaviour, market volatility, digital disruptions, and force majeure events including natural calamities.

We do not undertake to publicly revise or update any forward-looking statements considering future events or new information, unless so required under applicable laws.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

At Poonawalla Fincorp Limited ("Company"), Corporate Governance reflects our core values and our long-standing commitment to sustainable and responsible growth. We believe that robust corporate governance practices are fundamental to building enduring and successful businesses. The Company's commitment to corporate governance guides its business decisions while ensuring financial responsibility, ethical conduct, and fairness to all stakeholders including employees, customers, investors, regulators, suppliers and the society at large.

Effective fundamentals of the Company encapsulated in its vision 'To be the Most Trusted Financial Services brand' are consistently upheld and reinforced across the Company. The Company's philosophy on Corporate Governance is aimed at transparency in corporate decision-making, long term value creation and keeping the interests of all stakeholders protected in the most inclusive way. The guiding principle of shaping a Sustainable, Predictable and Productive Business forms the foundation of our governance framework and business practices.

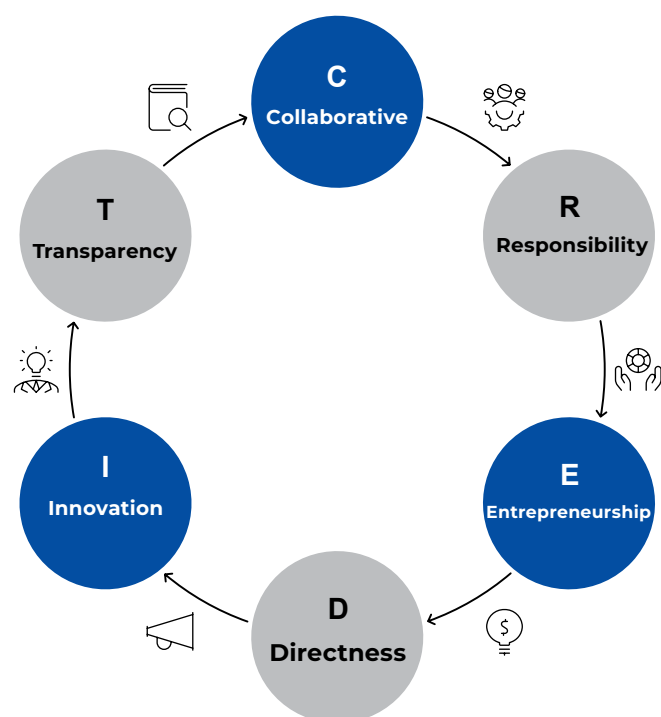
Key levers strengthening the Company's Corporate Governance principles:

- **Robust Governance Structure:** A well-defined and effective governance framework with diverse Board of Directors ("Board"), Board Committees, the Managing Director and Chief Executive Officer ("MD&CEO"), Executive Directors and Senior Management.
- **Board Committees Oversight:** Strong governance through Board Committees in the areas of Audit, Risk Management, Asset and liability management, Information Technology ("IT") & Governance, Nomination and Remuneration, Corporate Social Responsibility and Stakeholders' Relationship etc.
- **Strategic Supervision:** Oversight by the Board over the Company's business strategy, major developments and key activities.
- **Transparent Disclosures:** Commitment to accurate, uniform and timely dissemination of corporate, financial and operational information to all stakeholders.

The Company confirms its compliance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with respect to Corporate Governance.

Our Values

C.R.E.D.I.T



Board and Committees of the Board

The Company is professionally managed under the guidance and supervision of the Board of Directors. The role and responsibilities of the Board and Senior Management include, *inter alia*:

Board

The Board plays a pivotal role in ensuring the Company's long-term sustainable success and value creation for all stakeholders. It provides strategic direction for the Company's business and oversees the overall management and affairs of the Company. The Board is responsible for effective supervision of management, ensuring accountability and avoiding potential conflicts of interest. It also upholds and promotes high standards of Corporate Governance across the organisation.

Chairman

The Chairman leads the Board and fosters effective participation from all Executive and Non-Executive Directors (Including Independent Directors) during Board meetings. Additionally, the Chairman promotes transparency and encourages debate, which leads to effective decision-making at the Board level.

Independent Directors

The Independent Directors provide strategic guidance and domain expertise, encourage objective judgement and accountability. They offer constructive feedback and engage with the Company and its employees.

Committees of the Board

The Board Committees constitute an integral part of the Company's governance framework. These Committees are established to focus on specific areas and functions of the Company's operations that require detailed review, oversight and approval. Each Committee operates in accordance with its defined terms of reference and enables the Board to effectively discharge its responsibilities through focused supervision and informed decision-making.

MD & CEO and Senior Management

The Senior Management, led by the MD & CEO and supported by the Executive Directors, is responsible for ensuring execution of the Company's strategy and business plans. They ensure the effective management of day-to-day operations and are accountable for delivering the Company's performance in line with its strategic objectives and governance standards.

2. BOARD OF DIRECTORS

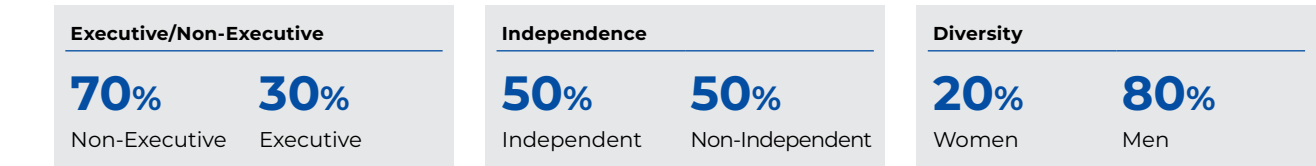
The Board is the focal point and custodian of corporate governance in the Company. It comprises highly experienced and eminent professionals and has an optimal mix of expertise, knowledge and experience that enables it to discharge its responsibilities and provide effective leadership to the business. The Board includes a balanced composition of Executive Directors, Non-Executive Directors including Independent Directors having professional expertise from diverse areas, viz., corporate affairs, risk management, banking, finance, economics, marketing, digitization, analytics and other allied fields thus meeting the requirements of the Board diversity.

a. Composition and Category of Directors:

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules framed thereunder (“Act”), the SEBI Listing Regulations and the Articles of Association of the Company. In accordance with the Articles of Association, the Company shall not have less than 3 (three) Directors and not more than 15 (Fifteen) Directors. Subject to the provisions of the Act, the Company may appoint more than 15 (Fifteen) directors after passing a special resolution in a general meeting.

As on the date of this Report, the Board of the Company consisting of 10 (Ten) Directors including 3 (three) whole-time Directors (including MD & CEO), 5 (five) Non-Executive Independent Directors (including 1 (one) women Non-Executive Independent Director) and 2 (two) Non-Executive Director (including Chairman). The Board does not have any institutional nominee director.

Board Composition Analysis



The said information as on March 31, 2026, is presented as below:

Sr. No.	Name of Director	Designation	Date of Appointment	DIN
1.	Mr. Adar Cyrus Poonawalla	Chairman, Non-Executive Director	01/06/2021	00044815
2.	Mr. Arvind Kapil	Managing Director and Chief Executive Officer	10/06/2024	10429289
3.	Mr. Sunil Samdani	Executive Director	20/10/2023	10301175
4.	Mr. Vikas Pandey ¹	Executive Director	16/01/2026	11463386
5.	Ms. Sonal Modi	Non-Executive Director	16/08/2024	03403571
6.	Mr. Prabhakar Dalal	Non-Executive Independent Director	05/05/2021	00544948
7.	Mr. Sanjay Kumar	Non-Executive Independent Director	15/01/2022	09466542
8.	Ms. Kemisha Soni	Non-Executive Independent Director	30/01/2024	06805708
9.	Mr. Kewal Handa	Non-Executive Independent Director	01/10/2024	00056826
10.	Mr. Rajeev Sardana	Non-Executive Independent Director	18/12/2024	06648276

¹Mr. Vikas Pandey was appointed as an Executive Director of the Company, for a period of 5 (Five) years effective from January 16, 2026, till January 15, 2031 (both dates inclusive), pursuant to approval of the Members through postal ballot on February 19, 2026.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Act.

All the Independent Directors of the Company have been appointed as per the provisions of the Act and SEBI Listing Regulations and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025. The Independent Directors are appointed for a fixed tenure of 3 (three) years from their respective dates of appointment/re-appointment.

The profiles of the Directors can be accessed on the Company's website at <https://poonawallafincorp.com/board-of-directors>

Changes in the Board of Directors

Details of changes in the composition of the Board for the period from April 01, 2025 to March 31, 2026 are given below:

Sr. No.	Name of Director	Capacity	Nature of change	Effective date
1	Mr. Bontha Prasada Rao	Independent Director	Cessation upon completion of second term of appointment	December 09, 2025
2	Mr. Vikas Pandey	Executive Director	Appointment	January 16, 2026

The Board places on record its heartfelt appreciation for the guidance, and valuable contributions made by Mr. Bontha Prasada Rao during his tenure.

Board Confirmation regarding Independence of the Independent Directors:

The Board has received declarations from all the Independent Directors. The Independent Directors have confirmed that they meet the criteria of independence as mentioned in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declaration received, the Board is of the opinion that all the Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

Further, the Board, after taking these declarations on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and experience to qualify as Independent Directors of the Company.

b. Number of Board Meetings held and attendance of each Director at Board Meeting and last Annual General Meeting (AGM):

The Board of Directors met 4 (Four) times during the financial year (“FY”) ended March 31, 2026.

The Board Meetings were conducted via Video Conferencing (“VC”)/other audio-visual mode (“OAVM”) as allowed under applicable law. The gap between any 2 (two) consecutive meetings did not exceed 120 days. The requisite quorum was present during all the meetings.

The attendance of the Directors at the Board Meeting for the FY 2025 – 26 and at the 45th Annual General Meeting (“AGM”) are tabulated below:

Sr. No.	Name of Director	Dates of the meetings held during the year in which Directors were entitled to attend				Total no. of meetings held during the year in which Directors were entitled to attend	Attended	% of attendance of a Director	AGM (45 th) 29/07/2025
		25/04/2025	25/07/2025	17/10/2025	16/01/2026				
1.	Mr. Adar Cyrus Poonawalla	√	√	√	√	4	4	100	√
2.	Mr. Arvind Kapil	√	√	√	√	4	4	100	√
3.	Mr. Sunil Samdani	√	√	√	√	4	4	100	√
4.	Mr. Vikas Pandey ¹	-	-	-	-	-	-	-	-
5.	Ms. Sonal Modi	√	√	√	√	4	4	100	√
6.	Mr. Prabhakar Dalal	√	√	√	√	4	4	100	√
7.	Mr. Sanjay Kumar	√	√	√	√	4	4	100	√
8.	Ms. Kemisha Soni	√	√	√	√	4	4	100	√
9.	Mr. Kewal Handa	√	√	√	√	4	4	100	√
10.	Mr. Rajeev Sardana	√	√	√	√	4	4	100	√
11.	Mr. Bontha Prasada Rao ²	√	√	•	-	3	2	66.67	√

√ Present, • leave of absence - Not Applicable

¹Mr. Vikas Pandey was appointed as an Executive Director effective from January 16, 2026.

²Mr. Bontha Prasada Rao ceased to be director effective from December 09, 2025.

c. Board Procedure:

The Board of Directors being the apex body constituted by the shareholders for overseeing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the Directors. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Company has a well-established framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Board and Committee meetings in an informed and efficient manner.

Meetings, Agenda and participation: The Board/ Committee meetings are pre-scheduled, and a tentative calendar of the Board and Committee meetings is circulated to the Director well in advance to help them plan their schedule and ensure meaningful participation in the meetings. The Board Meetings are convened by giving appropriate notice after obtaining approval of the chairman and MD & CEO of the Company. The Company Secretary, in consultation with MD & CEO, Executive Directors, Chief Financial Officer and senior management prepares the agenda

for meetings. Agenda, notes on the agenda and other pre-read materials are circulated among the Directors in advance, in a structured format. All the agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions. Additional items on the agenda are permitted with the permission and consent of the Chairman and the consent of the majority of the directors present at the meeting. The Company also provides VC facilities to facilitate Directors travelling or present at other locations to participate in meetings. Only in case of urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at shorter notice, as permitted under the Act and Secretarial Standards - 1 on the Meetings of the Board of Directors (“SS-1”) issued by the Institute of Company Secretaries of India (“ICSI”).

The draft minutes of the meetings of the Board and its Committees are sent to the Board/ Committee members for their comments in accordance with the SS-1, issued by the ICSI.

Suggestions, if any, received from the Board/ Committee members are suitably incorporated in the draft minutes, in consultation with the Chairperson of the Board/Committee. Thereafter, the minutes are entered in the minutes book within the prescribed time limit.

The outstanding attendance record and participation of the Directors in Board/ Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/ Committee members.

Paperless Board Meetings: The Board/ Committee Meetings agenda and notes are hosted on the Digital Meeting, secured web-based portal. The Directors receive the agenda notes in electronic form through this portal. The application meets high standards of security that are essential for storage and transmission of sensitive information in electronic form.

Post meeting follow-up mechanism: The Company has an effective post Board/ Committee Meeting follow-up procedure. The important decisions taken at Board/Committee meetings are communicated to the concerned departments promptly. An action taken/ status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Committees for information and further recommended action(s), if any.

Knowledge sharing: Board members are kept informed about any material developments/ business updates through various modes viz. e-mails, meeting etc. from time to time.

Measures to ensure effective participation by the Directors:

- Pre-scheduled Notices of Board/Committee Meetings are circulated in advance.
- At each Board meeting, the Chairperson of respective Committees, as appropriate, briefs the Board on matters discussed by the Committee at their respective meetings.
- For urgent business needs, approval is taken by resolution passed through circulation, in accordance with applicable provisions of the Act and the applicable regulations.
- The agenda is set by the Company Secretary in consultation with the MD & CEO, Executive Directors and Senior Management.
- The Agenda of Meetings includes detailed notes to enable the Directors to take an informed decision.
- Board/Committee Agenda includes Action Taken Report comprising actions from previous Meetings and status updates thereon.

- Prior approval is obtained for circulating agenda items with shorter notice in accordance with applicable provisions of the Act.

The Board is presented with important information on the operations of the Company as well as that which requires deliberation at the highest level. Such Information includes minimum information required to be placed before the Board as per applicable law, which inter alia include:

1. Annual operating plans of business and budgets and any updates thereof;
2. Capital budgets and any updates;
3. Quarterly results for the Company and its operating divisions or business segments;
4. Minutes of meetings of the Committees of the Board of Directors;
5. The information on recruitment and remuneration of Senior Management Personnel (“SMP”) just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary;
6. Show cause, demand, prosecution notices and penalty notices, which are materially important;
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Details of any joint venture or collaboration agreement.
9. Sale of investments, subsidiaries, assets, which is material nature and not in normal course of business;
10. Non-compliance of any regulatory, statutory or listing requirements and shareholders and service such as non-payment of dividend, delay in share transfer (if any), among others.
11. Status of compliance with Act, SEBI Listing Regulations, Reserve Bank of India (“RBI”) Regulations and shareholder related matters;
12. Review of various policies framed by Company from time to time;
13. Functioning of customer grievance redressal mechanism;
14. Any material default in financial obligations to and by the Company;
15. Changes in regulatory landscape including impact and Company's preparedness;

d. Separate meeting of the Independent Directors:

As stipulated by the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the SEBI Listing Regulations and Code of Independent Directors, separate meetings of Independent Directors of the Company were held on October 15, 2025 and March 27, 2026, which was chaired by Mr. Prabhakar Dalal, Independent Director to review the performance of Non-Independent Directors and the Board as a whole after taking into account the views of Executive and Non-Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the management and the Board and its Committees, which is necessary to perform and discharge their duties effectively and reasonably.

e. Number of other directorships and Chairmanships/memberships of Committees of each Director in various Companies as on March 31, 2026:

Sr. No.	Name of Director	Category	Materially significant, pecuniary or business relationship with the Company	No. of Directorships in other Companies incorporated in India (*)	Outside Committee Positions Held (**)		Names of the other listed entities where the director is a director (including debt listed)
					Chairman	Member	
1.	Mr. Adar Cyrus Poonawalla (DIN: 00044815)	Non-Executive Director	Chairman, Promoter	12	Nil	Nil	Nil
2.	Mr. Arvind Ravinder Kapil (DIN: 10429289)	Executive Director	Managing Director and Chief Executive Officer	Nil	Nil	Nil	Nil
3.	Mr. Sunil Madhav Samdani (DIN: 10301175)	Executive Director	Whole-time Director	Nil	Nil	Nil	Nil
4.	Mr. Vikas Shyamkumar Pandey (DIN: 11463386)	Executive Director	Whole-time Director	Nil	Nil	Nil	Nil
5.	Ms. Sonal Sanjay Modi (DIN: 03403571)	Non-Executive Director	N.A.	Nil	Nil	Nil	Nil
6.	Mr. Prabhakar Ramchandra Dalal (DIN: 00544948)	Non-Executive, Independent Director	N.A.	2	1	1	1. BDH Industries Limited 2. Carysil Limited
7.	Mr. Sanjay Kumar (DIN: 09466542)	Non-Executive, Independent Director	N.A.	Nil	Nil	Nil	Nil
8.	Ms. Kemisha Soni (DIN: 06805708)	Non-Executive, Independent Director	N.A.	5	5	6	1. Pitti Engineering Limited 2. Jagran Prakshan Limited
9.	Mr. Kewal Kundanlal Handa (DIN: 00056826)	Non-Executive, Independent Director	N.A.	12	3	7	1. Borosil Scientific Limited 2. Akums Drugs and Pharmaceuticals Limited 3. Borosil Limited
10.	Mr. Rajeev Sardana (DIN: 06648276)	Non-Executive, Independent Director	N.A.	1	Nil	1	1. Fusion Finance Limited

*Excludes directorships in the Company, foreign companies and companies under Section 8 of the Act.

**Includes only Audit Committee and Stakeholders Relationship Committee in all Indian public limited companies as per Regulation 26 of SEBI Listing Regulations and the memberships also includes chairmanship in those committees, if any.

None of the Independent Directors of the Company serves as an Independent Director in more than 7 (Seven) listed companies. None of the Independent Director who is serving as a Whole-Time Director/MD in any listed entity can not serve as an Independent Director of more than 3 (Three) listed entities. None of the Directors hold directorship in more than 20 (Twenty) Indian companies, with not more than 10 (Ten) public limited companies. The MD & CEO does not serve as an Independent Director in any listed entity.

None of the Directors is a member of more than 10 (Ten) Committees or acts as Chairperson of more than 5 (Five) Committees (being Audit Committee and Stakeholders Relationship Committee), as per Regulation 26(1) of the SEBI Listing Regulations across all the public limited companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. None of the Independent Directors of the Company are on the Board of any other Company as Non-Independent Director where the Non-Independent Director of the Company is an Independent Director. Further, there are no inter-se relationships between our Board Members.

The Independent Directors also confirmed that they are not on the Board of more than 3 (Three) NBFCs [NBFC-Middle Layer ("NBFC-ML") or NBFC-Upper Layer ("NBFC-UL")] at the same time in line with Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025.

Pursuant to Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, Key Managerial Personnel ("KMP") does not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.

f. None of the Directors of the Company is having shareholding including convertible debentures as on March 31, 2026, in the Company except as mentioned below:

Name of the Directors	Number of Equity shares (Pursuant to exercise of stock options)
Mr. Sunil Samdani, Executive Director	1,50,000

g. Familiarization Programme:

1) Regulatory Framework:

Particulars	Details
Applicable Provisions	The Act and Regulation 25(7) of SEBI Listing Regulations
Purpose	Familiarize Independent Directors with the Company, its business, industry dynamics, regulatory environment and governance framework
Coverage	Company

2) Objective of the Programme:

- The familiarization Programme aims to:
- Enable Directors to gain a comprehensive understanding of the Company's operations, governance practices and strategic direction.
 - Keep Directors updated on regulatory developments particularly those impacting the NBFC sector.
 - Facilitate meaningful participation in Board and Committee deliberations.

3) Familiarisation Mechanism:

Areas	Description
Interaction with Management	Regular interactions with the MD & CEO, Executive Directors, KMP & SMP.
Information Flow	Proactive sharing of Board papers, presentations, regulatory updates, business updates and disclosures.
Engagement Format	Board meetings and Committee meetings presentations and interactive sessions.
Access to Information	Timely access to all information and documents requested by directors to enable informed decision-making.

4) Regulatory and Business Updates during FY 2025-26:

Coverage Areas	Details
Regulatory Updates	Amendments, circulars and notifications issued by SEBI, RBI, MCA and Stock Exchanges etc.
NBFC Specific Guidance	RBI Directions and other regulatory expectations applicable to the Company.
Board Discussions	Regulatory changes are deliberated and discussed at Board and Committee meetings.
Business & Financial Updates	Quarterly presentations on operations, financial performance, outlook, peer comparison and industry scenario.
Risk & Compliance	Updates on risk management framework, internal controls and compliance status.

Business and regulatory updates were part of the Committee/Board meetings held on April 25, 2025, July 25, 2025, October 17, 2025 and January 16, 2026 and were attended by the Directors of the Company including the Independent Directors and the cumulative duration was ~ 40 minutes.

Furthermore, Programme for Non-Executive Directors on the Boards of Banks, Financial Institutions and NBFC was organized by the Centre for Advanced Financial Research and Learning (“CAFRAL”). Topics were covered such as

- KYC & AML Risk Management,
- Emerging Regulatory and Compliance Issues,
- Supervisory Observations on KYC & AML Compliance - Use Cases,
- Central KYC Registry & Compliance by REs,
- Role and Responsibilities,
- Combatting Financial Crime,
- FIU Perspective,
- KYC & AML Framework,
- Risks and Strategies Including Few Case Studies of Recent Frauds and Financial Crime,
- Trade Based Money Laundering (TBML).

Further, a virtual session on Corporate Governance focused on strengthening governance effectiveness and oversight, was conducted by experts. The sessions involved engaging discussions on the evolving responsibilities of boards and leadership teams in driving long-term value creation. Through practical scenarios, real-world examples, and open dialogue, the experts explored themes such as decision-making in complex environments, strengthening oversight mechanisms, enhancing risk awareness and fostering a culture of accountability. The key topics covered during the session were:

- Corporate governance framework, evolving global corporate governance landscape and key challenges.
- Board Committees, enhancing governance through Board committees, Board Culture, Building Ethical, Inclusive & Diverse Boards.
- Governance Imperatives: Code of Conduct, Whistleblower/Vigil Mechanism, Conflict of Interest, Fraud, Related Party Transactions.
- Data Privacy & Cybersecurity.
- Prevention of Insider Trading.
- Overview of Regulation 30 of SEBI Listing Regulations.
- Relevance of ESG in effective Corporate Governance, ESG & Stakeholder Management.
- Prevention of sexual harassment, overview of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”), challenges faced by employers in implementing the POSH Act.

The details of such Familiarization Programmes for Directors may be referred to, at the website of the Company at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Familiarization-program-FY25-26+%281%29.pdf/da464113-946c-af95-e0f4-1e14637b425c>.

h. Skills/Expertise/Competence of the Board of Directors:

The Board has identified the core skills, expertise, and competencies required for its efficient functioning in the present business environment. The details of those skills and capabilities actually available with the current Board are as follows:

Sr. No.	Name of Director	Expertise	Understanding of Business/ industry	Financial understanding	Strategy and strategic planning	Critical and innovative thoughts, and Risk Compliance oversight	Market understanding
1.	Mr. Adar Poonawalla	• Visionary direction and long-term purpose to the Company's inclusive growth agenda • Corporate leadership and governance	✓	✓	✓	✓	✓
2.	Mr. Arvind Kapil	• Retail and wholesale banking • Digital financial solutions • Institutional and retail credit strategy • Financial services distribution, • Mergers, acquisitions and strategic alliances • Corporate governance and strategic leadership	✓	✓	✓	✓	✓
3.	Mr. Sunil Samdani	• Financial strategy • Institutional and investor relations • Corporate governance and strategic Leadership	✓	✓	✓	✓	✓
4.	Mr. Vikas Pandey	• Retail banking, distribution, and business management • Corporate governance and strategic Leadership • Long-term value creation	✓	✓	✓	✓	✓
5.	Ms. Sonal Sanjay Modi	• Retail lending in areas of credit underwriting, • Business development, • Market expansion and outreach, • Expanding branch network, management of sales channels, cross-selling	✓	✓	✓	✓	✓



Sr. No.	Name of Director	Expertise	Understanding of Business/industry	Financial understanding	Strategy and strategic planning	Critical and innovative thoughts, and Risk Compliance oversight	Market understanding
6.	Mr. Prabhakar Dalal	- Retail and wholesale banking - International trade and project financing - Institutional and international relations - Stressed assets management resource management - Expert of corporate and securities law and corporate governance	✓	✓	✓	✓	✓
7.	Mr. Sanjay Kumar	- Branch Banking - Credit Administration - Economic research and intelligence - AML and regulatory Compliances - Dealing with RBI, and overseas Regulators - Anti-Money Laundering Specialist	✓	✓	✓	✓	✓
8.	Ms. Kemisha Soni	- Accounting, - Audit and Taxation including Forensic Audit, Risk Management Audit - Corporate Laws - CSR consultancy	✓	✓	✓	✓	✓
9.	Mr. Kewal Handa	- Finance, Banking Commercial, Strategy - Business Development, Merger & Acquisition, Corporate Affairs	✓	✓	✓	✓	✓
10.	Mr. Rajeev Sardana	- Finance, accountancy, audit - Consumer behavior, Sales & marketing - Risk management, - Legal compliance and strategic thinking	✓	✓	✓	✓	✓

i. Board Diversity

The Board comprises an adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are people of eminence in the areas of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, Corporate Social Responsibility etc. and bring with them experience and skills which add value to the performance of the Board.

j. Selection of New Director and Board Membership Criteria:

Well Defined and Structured Process

The selection of Executive Director(s), including the Managing Director, shall be based on the criteria prescribed and in accordance with the Articles of Association and applicable laws.

Designated Committee for Nomination/ Selection

Nomination and Remuneration Committee is responsible for identification, shortlisting and recommendation of Director.

Comprehensive discussions on eligible candidates

The Board considers the recommendations and recommends the appointment of director to the shareholders for their approval.

The Nomination and Remuneration Committee and Board members consider & evaluate various criteria including following factors while recommending to the board:

- Alignment with selection criteria prescribed for directors, considering qualifications, skills, experience, positive attributes and fit with the Company's requirements and Articles of Association.
- Identification of Independent Directors as industry or subject matter leaders, with evaluation of their experience, defined advisory role and independence as per statutory and SEBI requirements.
- Consideration of overall Board composition, diversity and effectiveness, along with support for board familiarization, performance evaluation and succession planning.

The Nomination and Remuneration Committee ("NRC") works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse background and experiences in business.

The policy also sets out the guiding principles for the compensation to be paid to the Directors, KMP & SMP; and undertakes effective implementation of board familiarization, diversity, evaluation and succession planning for cohesive leadership management.

The potential Independent Director is also assessed on the basis of independence criteria defined in Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1) (b) of the SEBI Listing Regulations. If the Board approves, the person will be appointed as an Additional Director whose appointment is subject to the approval of the shareholders at the Company's General Meeting.

The Policy for appointment and removal of Directors and determining Directors' independence forms part of the Remuneration Policy of the Company and is available on our website i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>.

k. Code of Conduct:

The Board of Directors has laid down a code of conduct for all the Board Members and Senior Management of the Company including a code of conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. All the Board Members and Senior Management personnel have confirmed compliance with the Code. A declaration by MD & CEO affirming compliance with the code of conduct is annexed at the end of this Report as **Annexure-A**. The said Code may be referred to, at the website of the Company i.e., https://poonawallafincorp.com/documents/20121/0/1.+PFL_Code+for+Independent+Directors_Version+No.7.pdf/9aaa3324-4d72-5f31-456e-64c145404156.

Code of Business Ethics may be referred to at https://poonawallafincorp.com/documents/20121/0/17.+PFL_Code+of+Business+Ethics+Version+No.+6.0+4.pdf/d586355e-6ecb-1eb6-fc01-9fbb9cf316c2.

Further, pursuant to SEBI Listing Regulations, all members of Senior Management of the Company have affirmed that they have not entered into any material, financial and commercial transactions during the year in which they had personal

interest, that may have potential conflict of interest with the Company.

l. Directors and Officers liability insurance ("D&O policy"):

The Company has in place a D&O policy which is renewed every year. It covers directors (including Independent Directors) of the Company.

m. Certificate on qualification of directors:

A certificate from a Company Secretary in practice pursuant to Regulation 34(3) read with Clause 10 (i) of Paragraph C of Schedule V of the SEBI Listing Regulations certifying that none of the directors on the Board have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA"), RBI, or any such Statutory Authority is provided as **Annexure B** to this report.

n. Formal letter of appointment to Independent Directors:

A letter of appointment encompassing the terms and conditions of appointment, roles, duties and liabilities is issued to the Independent Directors at the time of their appointment. The main terms of appointment can be accessed on our website at the web-link: <https://poonawallafincorp.com/documents/20121/0/Draft-Appointment-Letter-Independent-Director+%282%29.pdf/0bc3babb-3868-77af-465b-efcdfe13cb60>

o. Maximum tenure of Independent Directors:

Independent Directors shall hold office for a term of up to 3 (Three) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. The tenure of the Independent Directors is in accordance with the provisions of the Act and SEBI Listing Regulations.

3. BOARD COMMITTEES:

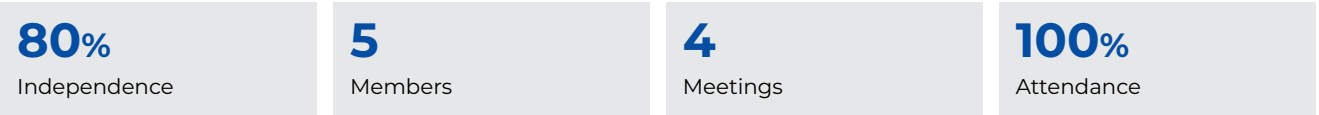
The Board Committee(s) are essential for effective corporate governance, providing focused oversight and specialized expertise in key areas. They enhance the Board's efficiency by allowing focused discussions and in-depth analysis on specific topics, such as finance, audit, governance, and risk management. This division of responsibilities ensures thorough oversight, informed decision-making, and strategic focus, ultimately strengthening the Company's overall governance framework. The Committees may have special invitees to attend the meeting when necessary. All decisions and recommendations of the Committees are placed before the Board for information or for approval, as required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the

Board set up for this purpose. Ms. Shabnum Zaman, the Company Secretary and Compliance Officer acts as the Secretary to Committees. As on March 31, 2026, the Company has 10 (Ten) Committees of the Board: -

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee;
6. Asset Liability Management Committee;
7. IT Strategy Committee;
8. Customer Service Committee;
9. Review Committee; and
10. Management Committee.

3.1 Audit Committee:

Composition and attendance



a. Composition:

The Audit Committee comprises of 1 (One) Non-Executive Director and 4 (Four) Non-Executive, Independent Directors. The composition of the Audit Committee as on March 31, 2026 is as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Kewal Handa	Chairman	Non-Executive, Independent
2.	Ms. Sonal Modi	Member	Non-Executive
3.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent
4.	Mr. Sanjay Kumar	Member	Non-Executive, Independent
5.	Ms. Kemisha Soni	Member	Non-Executive, Independent

All Members are financially literate and bring in expertise in the fields of finance, accounting, development and strategy.

Mr. Kewal Handa, Chairman of the Committee, was present at the Annual General Meeting of the Company held on July 29, 2025.

b. Meetings and attendance during the FY 2025-2026:

Sr. No.	Name of Members	Attendance of Audit Committee Members			
		25/04/2025	25/07/2025	17/10/2025	16/01/2026
1.	Mr. Kewal Kundanlal Handa	√	√	√	√
2.	Ms. Sonal Modi	√	√	√	√
3.	Mr. Prabhakar Dalal	√	√	√	√
4.	Mr. Sanjay Kumar	√	√	√	√
5.	Ms. Kemisha Soni	√	√	√	√

√ Present, • leave of absence, - Not Applicable

The Committee invites such employees or advisors as it considers appropriate to attend. The Chief Financial Officer, Chief Compliance Officer, Chief Internal Auditor and Statutory Auditors are generally invited to attend meetings unless the Committee considers otherwise.

Separate quarterly meetings were held with the Chief Internal Auditor and Chief Compliance Officer quarterly to focus on compliance issues and to conduct detailed reviews of the processes and internal controls in the Company.

The members of the Audit Committee also meet the Statutory Auditors and Secretarial Auditors of the independently, at least once a year to facilitate open and candid discussion.

All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

c. Key Terms of reference:

Terms of reference Audit Committee	Frequency of Reviews
Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;	
Recommendation for appointments, replacement or removal, remuneration and terms of appointment of auditors of the company;	
To approve rendering of services by the statutory auditor other than those expressly barred under section 144 of the Act and remuneration for the same;	
Review and examination, with the management, the annual financial statements and auditor's report thereon and the CEO & CFO Certificate as per Regulation 33 of the Listing Regulations before submission to the board for approval, with particular reference to:	
a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's 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 and reasons for the same;	
c. Major accounting entries involving estimates based on the exercise of judgment by 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;	
Review and examination, with the management, the quarterly financial statements before submission to the board for approval and secure the Certificate from the CEO and CFO in terms of Regulation 33 of the Listing Regulations;	 /  / 
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 utilisation ofproceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;	

 - Quarterly  - Half Yearly  - Annually  - Event Based  - As and when required

Terms of reference Audit Committee	Frequency of Reviews
Review quarterly statement of deviation(s) including report of monitoring agency, if applicable and annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice;	
Reviewing and monitoring independence and performance of statutory and internal auditors, effectiveness of audit process and adequacy of the internal control systems; any concerns in this regard may be flagged by the Audit Committee to the Board of Directors and concerned Senior Supervisory Manager (SSM)/Regional Office (RO) of RBI.	 /  / 
Approve the appointment, removal and terms of remuneration of Chief Internal Auditor and reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency, scope, functioning and methodology of internal audit;	
Discussion with Internal Auditors and the Management of any significant findings, status of previous audit recommendations and follow up there on;	 /  / 
Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;	 /  / 
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;	
To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;	
To review the functioning of the Whistle Blower/vigil mechanism;	
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	
Review the utilization of loans and/or advances from/investment by the Company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;	 /  / 
Review Management discussion and analysis of financial condition and results of operations;	
Review Management letters/letters of internal control weakness issued by the Statutory Auditors;	
Review the Internal Audit Report relating to internal control weakness	 /  / 
Carry out such other business as may be required by applicable law or considered appropriate in view of the general terms of reference and the purpose of the Audit committee	
Approve and review related party transactions of the Company and subsequent modification in accordance with the applicable laws and Related Party Transactions Policy of the Company	 /  /  / 
Approve a related party transaction to which the subsidiary of the Company is a party, but the Company is not a party, provided if the value of such transaction whether entered individually or taken together with previous transactions during a financial year exceeds 10 (ten) per cent of the ;annual standalone turnover, as per the last audited financial statements of the subsidiary	
Grant omnibus approval for entering into related party transactions in accordance with applicable laws and as per the policy adopted by the Board	
Scrutiny of inter-corporate loans and investments;	 /  / 

 - Quarterly  - Half Yearly  - Annually  - Event Based  - As and when required

Terms of reference Audit Committee	Frequency of Reviews
Valuation of undertakings or assets of the company, wherever it is necessary;	
Evaluation of internal financial controls and risk management systems;	
Investigate into any matter in relation to the items within the purview of this Charter or referred to it by the Board or auditor of the Company and for this purpose, shall have full access to information contained in the books, records, facilities, personnel of the Company and External professional consultants and their advice, if necessary;	
Comply with the going concern assumptions, Compliance with accounting standards	
Appoint registered valuers	
Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders	
The statement indicating deviation/ variation report with respect to utilization of issue proceeds of listed non-convertible securities shall be placed before the Audit Committee of the listed entity for review on quarterly basis	/ /
The Committee shall review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.	
To ensure information system audit of the internal systems and processes are conducted every year to assess operational risk faced by the NBFCs.	
The ACB should approve the classification of accounts that are past due beyond 90 (ninety) days but not treated as impaired, with the rationale for the same clearly documented.	
Examination of the eligibility of the statutory auditors every year	
Ageing analysis of entries pending reconciliation with outsourced vendors shall be placed before the Committee.	/
Any adjustments to the Expected Credit Loss model output (i.e. a management overlay) should be approved by the Audit Committee and its rationale and basis should be clearly documented.	
Review and advise on Show Cause Notices (SCN) and advisory penalty issued by regulators.	
Review the Compliance Risk Assessment / Testing report relating to regulatory compliance gap.	
Review of the cases where the Company rebutted the presumption that credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 (thirty) days past due.	
Review of the quarterly audit notes and compliance with the KYC Guidelines and Policy.	
The Committee shall approve a RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the entity's goals.	
Ensure that the internal audit function includes assessment of the various Compliance Risk faced by the Company	
Sanctioning of loans and advances aggregating Rupees five crores and above to its directors or other interested entities as provided under the circular.	

- Quarterly - Half Yearly - Annually - Event Based - As and when required

Terms of reference Audit Committee	Frequency of Reviews
Periodic review of incidents of fraud shall be undertaken by the Committee.	
Initiation of the staff accountability determination in fraud cases involving very senior executives of the Company (MD & CEO / Executive Director / Executives of equivalent rank).	
The Audit Committee shall ensure that an appropriate Compliance Policy is put in place and implemented.	
The Audit Committee shall take final decision in the selection and appointment of Chief Compliance Officer based on a well-defined selection process and recommendations made by a committee.	
Adherence to professional Standards of SCAs/SA. To review the performance of SCAs/SAs on an annual basis. Any serious lapses/hegligence in audit responsibilities or conduct issues on part of the SCAs/SAs or any other matter considered as relevant shall be reported to RBI within two months from completion of the annual audit. Such reports should be sent with the approval/recommendation of the ACM, with the full details of the audit firm.	

- Quarterly - Half Yearly - Annually - Event Based - As and when required

3.2 Nomination and Remuneration Committee:

Composition and attendance

75% Independence	4 Members	5 Meetings	100% Attendance
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a. Composition:

The Nomination and Remuneration Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Non-Executive, Independent Directors. The composition of the Nomination and Remuneration Committee as on March 31, 2026, was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Prabhakar Dalal	Chairman	Non-Executive, Independent
2.	Ms. Sonal Modi	Member	Non-Executive
3.	Mr. Kewal Handa	Member	Non-Executive, Independent
4.	Mr. Rajeev Sardana	Member	Non-Executive, Independent

Mr. Prabhakar Dalal, Chairman of the Committee, attended the last Annual General Meeting held on July 29, 2025.

b. Meetings and attendance during the FY 2025-2026:

Sr. No.	Name of Members	Attendance of Nomination and Remuneration Committee Members				
		24/04/2025	25/07/2025	16/10/2025	11/12/2025	16/01/2026
1.	Mr. Prabhakar Dalal	√	√	√	√	√
2.	Ms. Sonal Modi	√	√	√	√	√
3.	Mr. Kewal Handa	√	√	√	√	√
4.	Mr. Rajeev Sardana	√	√	√	√	√

√ Present, · leave of absence, - Not Applicable

c. Key Terms of reference:

The terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Act, SEBI Listing Regulations and RBI Regulations. The terms of reference broadly include:

Terms of reference Nomination and Remuneration Committee	Calendar of Reviews (Frequency)
Formulate criteria and carry out evaluation of performance of all the directors of the Company	
Review overall compensation philosophy and framework of the Company.	
Review outcome of the annual performance appraisal of the employees of the Company.	
Conduct annual review of the Committee's performance and effectiveness at the Board level.	
Examine and ensure 'fit and proper' status of the directors of the Company.	
To ensure that compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).	
Approval of the annual compensation revision cycle of the employees of the Company.	
To work in close coordination with Risk Management Committee (RMC) of the Company to achieve effective alignment between compensation and risk.	 / 
The Committee shall ensure that there is no conflict of interest including that of Independent Directors being on the Board of another NBFC at the same time.	
To formulate criteria for: a. determining qualifications, positive attributes and independence of director; b. evaluation of independent directors and the Board;	
Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: - Use the services of external agencies, if required; - Consider candidate from wide range of backgrounds, having due regard to diversity; and - Consider the time commitments of the candidate.	
Based on the Policy approve framework and broad policy in respect of all Employees for increments.	
Stock options: Approve grant and allotment of shares to the eligible employees of the Company and its subsidiaries under the shareholders approved stock option Schemes and authorize any official of the Company to offer ESOPs and RSO to the new joinees in the Company in accordance with the authority matrix approved by the Committee from time to time;	
Devising a policy on Board diversity and recommending the size and an optimum mix of promoter directors, executive, independent and non- independent directors keeping in mind the needs of the Company.	
Recommend the remuneration payable to SMP to the Board for their approval including the structure, design and target setting for short and long term incentives / bonus	

 - Annually  - Event Based

Terms of reference Nomination and Remuneration Committee	Calendar of Reviews (Frequency)
Identifying, evaluating, and recommending to the Board:	
a. Persons who are qualified for appointment as Independent and Non-Executive Directors/Executive Directors/ Whole time Directors/Managing Directors in accordance with the criteria laid down;	
b. Appointment of SMP in accordance with the criteria laid down; and	
c. Removal of Directors and SMP	
Determining processes for evaluating the skill, knowledge, experience, effectiveness and performance of individual directors as well as the Board as a whole	
To devise a Policy on remuneration including any compensation related payments of the directors, KMP and other employees and recommend the same to the Board of Directors of the Company	
Based on the Policy as aforesaid, determine remuneration packages for the following:	
a. Recommend remuneration package of the Directors of the Company, including Commission, Sitting Fees and other expenses payable to Non-Executive Directors of the Company.	
b. Recommend changes in compensation levels and one time compensation related payments in respect of Managing Director/Whole-time Director/Executive Director	
Recommend & Review succession plans for all KMP and Senior Managerial Personnel.	

 - Annually  - Event Based

d. Evaluation Process:

Performance Evaluation of the Board of Directors:

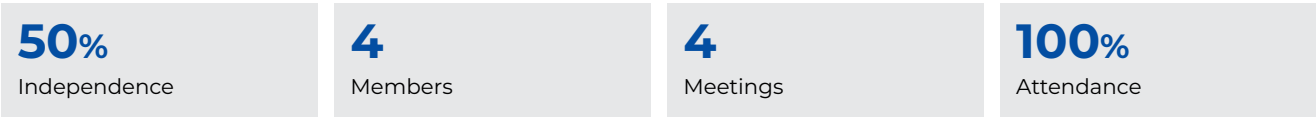
- Pursuant to the provisions of the Act and Regulation 17(10) of SEBI Listing Regulations, the Company has adopted the Remuneration Policy with the comprehensive procedure on performance evaluation. The Board has carried out the annual evaluation of its own performance, Board Committees, individual directors and the Chairperson. Also, the Nomination and Remuneration Committee has carried out evaluation of every Director's performance and reviewed the self-evaluation submitted by the respective directors. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.
- The detailed process of performance evaluation is given in the Board's Report. Separate Independent Directors Meetings are held on October 15, 2025 and March 27, 2026. The said meetings were attended by all the Independent Directors.
- The appraisal of the Board, as a collective body and the directors, individually, shall be based on pre-identified and agreed parameters. The performance evaluation criteria for independent directors is available on the website of the Company at <https://poonawallafincorp.com/investor-governance>.
- Such performance evaluation shall be undertaken at a reasonably regular interval – usually once in every FY using questionnaire. The questionnaire will usually be circulated to the members of the Board of the Company in the first quarter of every calendar year (corresponding to the last quarter of every FY) and the directors are encouraged to submit their comments within a month of receiving the questionnaire.
- Chairman of the Nomination and Remuneration Committee may conduct a one-to-one session with each Director to understand their point of view on the parameters for performance evaluation each such Director would be subjected to.

- Performance parameters for the Board may consist of parameters for evaluation of Board as a collective body, evaluation of Committees of Board, self-evaluation, evaluation of each Director individually and that of the Chairman.
- Independent Directors shall hold at least two meeting every FY without the participation of other Non-Independent Directors and/or members of management, to undertake the following agenda at the minimum:
 - i. Review of performance of Non-Independent Directors and the Board as a whole;
 - ii. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
 - iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

Evaluation of performance of Board, as a collective body, shall be done by the Independent Directors at an exclusive meeting of Independent Directors (as stated hereinbefore), apart from evaluation of performance of individual Director.

3.3 Stakeholders Relationship Committee:

Composition and attendance



a. Composition:

The Stakeholders Relationship Committee comprises of 1 (One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The Composition of the Stakeholder Relationship Committee is as on March 31, 2026:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Prabhakar Dalal	Chairman	Non-Executive, Independent
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

Mr. Prabhakar Dalal, Chairman of the Committee, attended the last Annual General Meeting of the Company held on July 29, 2025.

b. Meetings and attendance during the FY 2025-26:

Sr. No.	Name of Members	Attendance of Stakeholder Relationship Committee Members			
		24/04/2025	24/07/2025	16/10/2025	15/01/2026
1.	Mr. Prabhakar Dalal	√	√	√	√
2.	Mr. Sunil Samdani	√	√	√	√
3.	Ms. Sonal Modi	√	√	√	√
4.	Mr. Sanjay Kumar	√	√	√	√

√ Present, · leave of absence, - Not Applicable

c. Key Terms of reference:

The terms of reference of the Stakeholder Relationship Committee are in accordance with the provisions of Act and SEBI Listing Regulations, including any amendments thereto. The terms of the reference broadly include:

Terms of reference Stakeholders Relationship Committee	Calendar of Reviews (Frequency)
Redress and resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates or allotment letters, general meetings etc;	 /  /  / 
Review of measures taken for effective exercise of voting rights by shareholders;	 / 
Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent	
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	 /  /  / 
Review the internal audit report submitted by Registrar to an Issue and Transfer Agent (RTA) of the Company pursuant to SEBI Circular no. SEBI Master Circular HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026 on 'strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an issue' including any amendments thereto	
Effect dematerialization and rematerialisation of shares of the Company	 /  /  / 

 - Quarterly  - Half Yearly  - Annually  - Event Based

• Registrar to an Issue and Share Transfer Agent Information:

MUFG Intime India Private Limited (Formerly Known as Link Intime India Private Limited) is the Registrar to an Issue and Share Transfer Agent ("RTA") both for physical as well as electronic mode for securities. (equity and private placed debentures). KFin Technologies Limited continues to act as RTA for the retail debentures.

• Compliance Officer:

Ms. Shabnum Zaman, Company Secretary, acts as the Compliance Officer. The Board has appointed Ms. Shabnum Zaman as the Nodal Officer and Ms. Swapnal Patane as Deputy Nodal Officer for the purpose of IEPF Rules, the details of which is available at the weblink: <https://poonawallafincorp.com/investor-info>.

• Shareholder's/Debenture holder's complaint status:

The table below gives the number of complaints received and resolved during the FY ended March 31, 2026:

Sr. No.	Nature of Security	No. of complaints received during the year	No. of complaints not resolved to the satisfaction of the shareholders/debenture holders during the year	No. of complaints resolved to the satisfaction of the shareholders/debenture holders during the year	No. of complaints pending as on March 31, 2026
1	Equity Shares	9	0	9	0
2	Non-Convertible Debentures	0	0	0	0

3.4 Corporate Social Responsibility (CSR) Committee:

Composition and attendance

50% Independence	4 Members	2 Meetings	100% Attendance
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a. Composition:

The CSR Committee comprises of 1(One) Executive Director, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The composition of the CSR Committee as on March 31, 2026, was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Ms. Kemisha Soni	Chairperson	Non-Executive, Independent
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent

b. Meeting and attendance during the FY 2025-26:

Sr. No.	Name of the Members	Attendance of CSR Committee Members held on	
		23/04/2025	16/02/2026
1.	Ms. Kemisha Soni	√	√
2.	Mr. Sunil Samdani	√	√
3.	Ms. Sonal Modi	√	√
4.	Mr. Prabhakar Dalal	√	√

√ Present, · leave of absence, - Not Applicable

c. Key Terms of reference:

The terms of reference of the CSR Committee are in accordance with the provisions of Section 135 of the Act. The terms of the reference broadly include:

Terms of reference Corporate Social Responsibility (CSR) Committee	Calendar of Reviews (Frequency)
Frame the CSR Policy (including any modifications thereto from time to time) which shall indicate the activities to be undertaken by the Company in areas or subject specified under Schedule VII of the Companies Act, 2013	
Recommend to the Board the amount of CSR to be spent in the activities to be undertaken for approval of the annual CSR Budget and the amount to be transferred in case of ongoing projects and unspent amounts	
Monitor the CSR Policy and closely monitor the spending on a 'project basis' regularly	
Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer;	
Review and recommend to the Board, the impact assessment report obtained by the Company from time to time, wherever applicable	
To identify the areas of CSR activities	 / 

 - Annually  - As and when required

Terms of reference Corporate Social Responsibility (CSR) Committee	Calendar of Reviews (Frequency)
To formulate, approve and recommend to the Board annual action plan, and any modifications thereof, including following information:	
i. the list of CSR Programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013 “Act” the manner of execution of such projects or programmes;	 / 
ii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;	
iii. monitoring and reporting mechanism for the projects or programmes; and	
iv. details of need and impact assessment, if any, for the projects undertaken by the Company	
Approve specific projects, either new or ongoing, in pursuance of the focus areas outlined in this Policy, either for undertaking such projects by the Company itself, directly or through its implementation agency, for inclusion in the annual action plan	 / 
The Committee may also recommend to the Board, after providing reasonable justification, that a CSR project or program that was not initially approved as a multi-year project be re-categorized as an Ongoing Project	
Provide for selection, implementation and monitoring of CSR policy	
 - Annually  - As and when required	

3.5 Risk Management Committee:

Composition and attendance

40% Independence	5 Members	5 Meetings	93% Attendance
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a. Composition:

The Risk Management Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive, Independent Directors. The composition of the Risk Management Committee as on March 31, 2026 was as below:

Sr. No.	Name of the Members	Committee designation	Category
1.	Mr. Rajeev Sardana	Chairman	Non-Executive, Independent
2.	Mr. Arvind Kapil	Member	Executive
3.	Mr. Sunil Samdani	Member	Executive
4.	Ms. Sonal Modi	Member	Non-Executive
5.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

b. Meetings and attendance during FY 2025-26

Sr. No.	Name of the Members	Attendance of Risk Management Committee Members				
		24/04/2025	24/07/2025	21/08/2025	16/10/2025	15/01/2026
1.	Mr. Rajeev Sardana ¹	√	√	√	√	√
2.	Mr. Arvind Kapil	√	√	·	√	·
3.	Mr. Sunil Samdani	√	√	√	√	√
4.	Ms. Sonal Modi	√	√	√	√	√
5.	Mr. Sanjay Kumar	√	√	√	√	√
6.	Mr. Bontha Prasada Rao ²	√	√	√	√	-

√ Present, · leave of absence, - Not Applicable

¹Appointed as the chairman w.e.f. December 10, 2025.

²Ceased to be chairman and member w.e.f. December 09, 2025.

Separate quarterly meetings were held with the Chief Risk Officer to review and deliberate on material risks faced by the Company.

c. Key Terms of reference:

The terms of reference of the Risk Management Committee are in accordance with the provisions of SEBI Listing Regulations and RBI Directions. The terms of reference broadly include:

Terms of reference Risk Management Committee	Calendar of Reviews (Frequency)
Setting/reviewing policies and guidelines for risk identification, measurement, management, monitoring and reporting.	
Reviewing and approving risk limits, strategies and risk appetite.	
Ensuring robustness of financial or scoring models, and the effectiveness of all systems used to calculate Pillar 1 and Pillar 2 risks.	
Administering the material outsourcing and adherence thereof with the outsourcing policy and seek reports on the implementation or exceptions to the same.	
Laying down appropriate approval authorities and limits for outsourcing depending on risks and materiality.	
To review outsourcing strategies and arrangements for their continued relevance, central record of all material outsourcing activities and review/assessment reports of such activities on half yearly basis and safety and soundness and identify new material outsourcing risks as they arise.	
To review the outcome of the risk assessment exercise carried out by the risk management team for Money Laundering and Terrorist Financing in terms of Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 (“KYC Directions”);	
To work in close coordination with Nomination and Remuneration Committee of the Company to achieve effective alignment between compensation and risks;	
To review the outcome of the risk assessment exercise carried out by the Compliance team for Money Laundering and Terrorist Financing in terms of Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 (“KYC Directions”).	
To work in close coordination with the Nomination and Remuneration Committee of the Company to achieve effective alignment between compensation and risks.	
Reviewing the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC and placing before the Board of Directors at periodic intervals	
Ensuring an independent review and audit on a periodic basis for compliance with the legislations, regulations, Board-approved policy, and performance standards, and reporting the same to Board.	
Recommend to the Board for its approval/review, risk related policies, strategy and risk appetite.	 / 
To review and measure risks emanating from Information Technology and cyber threats, due to increased adoption of technology and digitization.	 / 
Review of non-compliance w.r.t. internal process and regulatory guidelines, limit breaches, audit/regulatory findings, indicators, and policy exceptions with respect to Pillar 1 and Pillar 2 risks.	 / 
Review any major development, internal and external, and their impact on the portfolio and as a whole on the company.	 / 

 - Quarterly  - Annually  - Event Based

Terms of reference Risk Management Committee	Calendar of Reviews (Frequency)
Ensuring that risk management processes (including people, systems, operations, limits, controls and governance) satisfy the company’s policy and compliance with regulatory guidelines.	
Ensuring compliance with applicable regulatory requirements methodology, systems and data.	
Reviewing the results of and progress in implementation of the decisions made in previous meetings.	
The RMC shall meet the Chief Risk Officer without the presence of the Managing Director at least on a quarterly basis.	
To approve/review risk based pricing framework used for pricing of loan products.	
The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.	
Approve exceptions/deviations from Risk Management Policy.	

 - Quarterly  - Annually  - Event Based

3.6 Asset Liability Management Committee:

Composition and attendance

25% Independence	4 Members	4 Meetings	100% Attendance
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a. Composition:

The Asset Liability Management Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 1 (One) Non-Executive Independent Director. The composition of the Asset Liability Management Committee as on March 31, 2026 was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-executive
4.	Mr. Sanjay Kumar	Member	Non-Executive, Independent

b. Meetings and attendance during the FY 2025-2026:

Sr. No.	Name of the Members	Attendance of Asset Liability Management Committee Members			
		24/04/2025	24/07/2025	16/10/2025	15/01/2026
1.	Mr. Arvind Kapil	√	√	√	√
2.	Mr. Sunil Samdani	√	√	√	√
3.	Ms. Sonal Modi	√	√	√	√
4.	Mr. Sanjay Kumar	√	√	√	√
5.	Mr. Bontha Prasada Rao ¹	√	√	√	-

√ Present, · leave of absence, - Not Applicable

¹Ceased to be a member w.e.f. December 09, 2025.

c. Terms of reference:

The terms of reference of the Asset Liability Management Committee is in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025.

The terms of reference broadly include:

Terms of Reference	Calendar of Reviews (Frequency)
Liquidity risk management through Asset Liability Mismatches across various time buckets, regulatory compliance and strategize action to mitigate the risk associated	 / 
Management of interest rate risks through articulation on current interest rate view & its future direction	 / 
Funding and capital planning – source & mix of liabilities	 / 
Forecasting and analysing 'What if scenario' and preparation of contingency plans through review of treasury strategy at regular interval	 / 
Regulatory updates and its impact	 / 
Cost of borrowings	 / 
Review of Internal Capital Adequacy assessment	 / 

 - Annually  - As and when required

3.7 IT Strategy Committee:

Composition and attendance

40%	5	4	95%
Independence	Members	Meetings	Attendance

a. Composition:

The IT Strategy Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director, 2 (Two) Non-Executive Independent Directors. Chief Information Security Officer of the Company shall be the permanent invitee to the IT Strategy meeting. The composition of the IT Strategy Committee as on March 31, 2026 was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Rajeev Sardana	Chairman	Non-Executive, Independent
2.	Mr. Arvind Kapil	Member	Executive
3.	Mr. Sunil Samdani	Member	Executive
4.	Ms. Kemisha Soni	Member	Non-Executive, Independent
5.	Ms. Sonal Modi	Member	Non-Executive

The constitution of the Committee is in accordance with the Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 ("ITGRCA Directions").

b. Meetings and attendance during FY 2025-26:

Sr. No.	Name of the Members	Attendance of IT Strategy Committee Members			
		23/04/2025	23/07/2025	15/10/2025	14/01/2026
1.	Mr. Rajeev Sardana ¹	-	-	-	√
2.	Mr. Arvind Kapil	√	√	√	-
3.	Mr. Sunil Samdani	√	√	√	√
4.	Ms. Kemisha Soni	√	√	√	√
5.	Ms. Sonal Modi	√	√	√	√
6.	Mr. Bontha Prasada Rao ²	√	√	√	-

√ Present, - leave of absence, - Not Applicable

¹Appointed as the Chairman & Member w.e.f. December 10, 2025.

²Ceased to be Chairman & member w.e.f. December 09, 2025.

c. Terms of Reference:

The terms of reference of the IT Strategy Committee is in accordance with the ITGRCA Directions. The terms of reference broadly include:

Terms of reference IT Strategy Committee	Calendar of Reviews (Frequency)
Ensure that the Company has put an effective IT strategic planning process in place and approving the IT Strategy and Policy documents thereof;	
Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives;	
Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;	
Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;	
Monitor enterprise risks assigned to the Committee by the Board under the Company's Enterprise Risk Management program and report thereon to the Audit Committee of the Board	
Ongoing review of third party/outsourcing arrangements including onboarding, commercial/key terms and conditions and risk associated therewith;	
Review the proceedings of the meetings of IT Steering Committee and Information Security Committee and its recommendations;	
Communicating significant risks in outsourcing to the Company's Audit Committee of the Board or the Board on a periodic basis;	
Instituting an appropriate governance mechanism for third party vendors/outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with third party vendors/outsourcing in an end to end manner;	
Defining approval authorities for third party vendors/outsourcing depending on nature of risks and materiality;	
Developing sound and responsive third party vendors/outsourcing risk management policies and procedures commensurate with the nature, scope, and complexity of third party vendors/outsourcing arrangements;	
Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements;	
Overview compliance with the Outsourcing policy, wherever applicable;	

 - Quarterly  - Half Yearly  - Annually

Terms of reference IT Strategy Committee	Calendar of Reviews (Frequency)
Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.	
Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.	
Ensuring the IT Risk Assessment exercise is executed fully at least on a yearly basis.	
Specific responsibilities include the following activities.	
- Review & Approve the IT Risk Register annually. - Guide management on how to prioritize IT Risks. - Review & Approve the Risk mitigation plans provided by IT	
Review the Information System (IS) audit report and further present to the Board or the Audit Committee, as may be decided, the IS Audit report with their comments thereon. The periodicity of IS audit should be at least once in a year; IS Audit should be undertaken preferably prior to the statutory audit so that IS audit reports are available to the statutory auditors well in time for examination and for incorporating comments, if any, in the audit reports.	
Review the IT Policies of the Company.	
The Committee may delegate, as it deems appropriate, its responsibilities and duties to subcommittees or individual members of the Committee;	
The Committee shall annually review and reassess the adequacy/frequency of these terms of reference/Charter as per Annexure and recommend any proposed changes to the Board for its approval.	
Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board;	
Periodically reviewing the effectiveness of policies and procedures;	
Ensuring an independent review and audit in accordance with approved policies and procedures;	
Ensuring that contingency plans have been developed and tested adequately;	
Ensuring that the business continuity preparedness is not adversely compromised on account of outsourcing. Ensuring sound business continuity management practices as issued by RBI and seeking proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis;	
Ensuring effective oversight over third party for data confidentiality;	
Creating essential capacity with required skillsets within the organization for proper oversight of outsourced activities.	

 - Quarterly  - Half Yearly  - Annually

3.8.Customer Service Committee:

Composition and attendance

33% Independence	3 Members	4 Meetings	100% Attendance
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a. Composition and Meetings:

The Customer Service Committee comprises of 1 (One) Executive Director, 1 (One) Non-Executive Director and 1 (One) Non-Executive, Independent Director. Principal and Nodal Officer and Internal Ombudsman of the Company shall be the permanent invitees to the Customer Service Committee. The composition of the Customer Service Committee as on March 31, 2026 was as follows.

Sr. No.	Name of the Members	Committee Designation	Category
1.	Ms. Sonal Modi	Chairperson	Non-Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Kemisha Soni	Member	Non-Executive, Independent

b. Meetings and attendance during the FY 2025-26:

Sr. No.	Name of the Members	Attendance of Customer Service Committee Members			
		23/04/2025	23/07/2025	15/10/2025	14/01/2026
1.	Ms. Sonal Modi	√	√	√	√
2.	Mr. Sunil Samdani	√	√	√	√
3.	Ms. Kemisha Soni	√	√	√	√

√ Present, · leave of absence, - Not Applicable

c. Terms of Reference:

The composition and terms of reference of the Committee is in accordance with Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026. The terms of the reference broadly include:

Terms of reference Customer Service Committee:	Calendar of Reviews (Frequency)
Review the Quarterly submissions made to RBI CEPD office by the company, to review report of Internal Ombudsman as stated in the mentioned RBI Master Direction on the customer complaints/ grievances received by the company .	
Review, at periodic intervals, all cases where the decision of the Internal Ombudsman (IO) / Additional Internal Ombudsman has been overruled by the Competent Authority and ensure that such cases are placed before the Board of the NBFC for review, along with the reasons for such overruling	
Review information relating to complaints resolved by the RBI Ombudsman in favour of the complainant, whether partially or fully on a quarterly basis.	
Recommend and review of Standard Operating Procedure of Customer Service processes.	
Review and recommend to the Board the number of Internal Ombudsman (IO) / Additional Internal Ombudsman to be appointed, having due regard to the volume and complexity of complaints received, and ensuring that the IO / Additional IO are provided sufficient time to apply the principles of fairness, equity and natural justice while reviewing the resolution of complaints by the NBFC atleast once in a year.	
Review and take note of the audit reports placed by the Internal Audit Department relating to the implementation of applicable regulatory directions on customer service, including Internal Ombudsman Directions, conducted on an annual basis, and monitor the status of corrective actions, if any.	

 - Quarterly  - Annually  - Event Based  - As and when required

Terms of reference Customer Service Committee:	Calendar of Reviews (Frequency)
Review on a periodical basis, the performance-related metrics of the Internal Ombudsman (IO) / Deputy Internal Ombudsman (Dy. IO), including levels of pendency, efforts towards ensuring uniformity in complaint redressal across the NBFC, and trends relating to substantive differences, if any, between the decisions of the IO / Dy. IO and those subsequently passed by the RBI Ombudsman, and place its observations before the Board for consideration.	
Review the terms and conditions of appointment of Internal Ombudsman Additional/Deputy Internal Ombudsman and recommend the same to the Board for approval.	
Review and approve the schedule of charges for all products.	

 - Quarterly  - Annually  - Event Based  - As and when required

3.9 Review Committee:

Composition and attendance

40% Independence	6 Members
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a. Composition:

The constitution and composition of the Review Committee is in accordance with the criteria specified in the RBI vide its Reserve Bank of India (Non-Banking Financial Companies - Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025. The Review Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive Independent Directors. The composition of the Review Committee as on March 31, 2026, was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Mr. Rajeev Sardana ¹	Member	Non-Executive, Independent
5.	Mr. Sanjay Kumar	Member	Non-Executive, Independent
6.	Mr. Bontha Prasada Rao ²	Member	Non-Executive, Independent

¹Appointed as the Member w.e.f. December 10, 2025.

²Ceased to be member w.e.f. December 09, 2025.

b. Meetings and attendance:

No meeting of Review Committee was conducted as there were no cases referred by the Identification Committee under the purview of guidelines for wilful defaulter and our internal policy on the same.

c. Terms of reference:

The terms of reference of the Review Committee is in accordance with the Reserve Bank of India (Non-Banking Financial Companies - Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025

The Review Committee shall review the proposal of Identification Committee for classification as a wilful defaulter.

3.10 Management Committee:

Composition and attendance

40% Independence	5 Members	13 Meetings	91% Attendance
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a. Composition:

The Management Committee comprises of 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 2 (Two) Non-Executive, Independent Directors. The composition of the Management Committee as on March 31, 2026, was as follows:

Sr. No.	Name of the Members	Committee Designation	Category
1.	Mr. Arvind Kapil	Chairman	Executive
2.	Mr. Sunil Samdani	Member	Executive
3.	Ms. Sonal Modi	Member	Non-Executive
4.	Ms. Kemisha Soni	Member	Non-Executive, Independent
5.	Mr. Prabhakar Dalal	Member	Non-Executive, Independent

b. Meetings and attendance during the FY 2025-26:

Sr. No.	Name of Members	Attendance of Management Committee Members												
		15/04/2025	20/05/2025	26/06/2025	18/08/2025	29/08/2025	22/09/2025	29/09/2025	24/11/2025	23/12/2025	22/01/2026	25/02/2026	25/03/2026	31/03/2026
1.	Mr. Arvind Kapil	√	√	√	√	•	√	•	√	•	√	√	•	•
2.	Mr. Sunil Samdani	√	√	√	√	√	√	√	√	√	√	√	√	√
3.	Ms. Sonal Modi	•	√	√	√	√	√	√	√	√	√	√	√	√
4.	Ms. Kemisha Soni	√	√	√	√	√	√	√	√	√	√	√	√	√
5.	Mr. Prabhakar Dalal	√	√	√	√	√	√	√	√	√	√	√	√	√

√ Present, • Leave of absence, - Not Applicable

c. Terms of reference:

The Management Committee constituted by the Board of Directors is to execute Board's directions and facilitate operational matters and to perform its executive role on matters which are within the purview of delegated powers by the Board from time to time subject to the provisions of the Act. Such authorizations inter-alia includes to decide on matters w.r.t direct assignment deal, acceptance of term loans, credit facilities of any type, other borrowings etc., opening and closing of current/cash credit account and inclusion and deletion of the authorized signatories to the said current/cash credit account opened in the name of the Company.

Other Committees of the Company:

In addition to the above stated 10 (Ten) committees, the Company has constituted following committees in accordance with the applicable RBI directions:

- Information Security Committee;
- IT Steering Committee;
- Committee of Executives; and
- Identification Committee

All decisions pertaining to the constitution of Committees and appointment of members are taken by the Board of Directors. The terms of reference or charter of these Committees are also defined by the Board. Details regarding the roles, composition including the number of meetings is given below.

3.11. Information Security Committee:

a. Composition and Meetings:

As on March 31, 2026, the Information Security Committee comprises of Chief Risk Officer , who serves as the Chairman of the Committee, Mr. Vikas Pandey, Executive Director and other representatives of senior management viz. Chief Information Security Officer, Chief Compliance Officer, Chief Technology Officer, Chief Credit and Analytics Officer, Chief Business Officer – Commercial Business as other members.

During the year under review, meetings of Information Security Committee were held on April 23, 2025, July 23, 2025, October 15, 2025, and January 14, 2026.

b. Terms of Reference:

The composition and terms of reference of the Committee is in accordance with the ITGRCA Directions. The terms of the reference broadly include:

- Development of information/cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite;
- Approving and monitoring information security projects and security awareness initiatives;
- Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities;
- Updating IT Strategy Committee and MD/CEO periodically on the activities of Information Security Committee.
- Any deviation from the Vulnerability Assessment/Penetration Testing should be documented and approved by the Information Security Committee.

3.12. IT Steering Committee:

a. Composition and Meetings:

As on March 31, 2026, the IT Steering Committee comprises of Mr. Arvind Kapil, MD and CEO who serves as the Chairman of the Committee, Mr. Sunil Samdani, Executive Director, Mr. Vikas Pandey, Executive Director and other representatives of senior management viz. Chief Credit and Analytics Officer, Chief Business Officer – Commercial Business, Chief Compliance Officer, Chief Technology Officer, Chief Risk Officer,

as other members. Chief Information Security Officer of the Company shall be the permanent invitee to the IT Steering Committee meeting.

During the year under review, meetings of IT Steering Committee were held on April 23, 2025, July 23, 2025, October 15, 2025, and January 14, 2026.

b. Terms of Reference:

The composition and terms of reference of the Committee is in accordance with ITGRCA Directions. The terms of the reference broadly include:

- Assist the IT Strategic Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Oversee the processes put in place for business continuity and disaster recovery;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update IT Strategy Committee and MD/CEO periodically on the activities of IT Steering Committee.

3.13. Committee of Executives:

a. Composition and Meetings:

As on March 31, 2026, the Committee of Executives comprises of Executive Director, who serves as the Chairman of the Committee, and other representatives of senior management viz. Chief Credit and Analytics Officer and Chief Risk Officer as other members.

During the year under review, meetings of Committee of Executives were held on April 22, 2025, July 22, 2025, October 14, 2025, and January 13, 2026.

b. Terms of Reference:

The composition and terms of reference is in accordance with Master Directions on Fraud Risk Management in Non- Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by RBI.

The terms of the reference broadly include -

- i. Fraud Risk Management framework and Policy related matters.
- ii. Investigation Framework

- iii. Show cause notice (SCN) – Issuance and waiver of issuance
- iv. Review and monitor cases of frauds

3.14: Identification Committee:

a. Composition and Meetings:

As on March 31, 2026, the Identification Committee comprises of Chief Financial Officer, who serves as the Chairman of the Committee, Chief Risk Officer and Dy. Chief Financial Officer as other members.

During the year under review, meetings of the Identification Committee were held on May 21, 2025, June 20, 2025 and March 18, 2026.

b. Terms of Reference:

The terms of reference of the Identification Committee, in line with the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025 inter alia include reviewing and recommending all deals of ₹25 lakh and above prior to their placement before the Review Committee.

4. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FY:

During the year under review, following are the changes in the senior management:

Sr. No.	Name of the SMP	Designation	Date of Appointment as SMP	Date of cessation	Reason of cessation
1.	Mr. Manish Verma	Head Investor Relations and Corporate Communications	11/12/2025	NA	NA
2.	Mr. Vadakke Madathil Maneesh Kumar	Head – Operations	11/12/2025	NA	NA
3.	Mr. Vikas Pandey	Chief Business Officer - Consumer Business	01/07/2024	15/01/2026	Pursuant to his appointment as an Executive Director of the Company w.e.f. January 16, 2026

As on March 31, 2026, the SMP comprises of:

Name	Designation
Mr. Sanjay Miranka	Chief Financial Officer
Ms. Shabnum Zaman	Company Secretary
Mr. Shriram Viswanathan Iyer	Chief Credit & Analytics Officer
Mr. Veeraraghavan Iyer	Chief Business Officer - Commercial Business
Mr. Harsh Kumar	Chief Human Resources Officer and Head Artificial Intelligence
Mr. Bhaskar Pandey	Chief Risk Officer
Mr. Bholananda Behera	Chief Compliance Officer
Mr. Nitin Sane	Chief Internal Auditor
Mr. Salil Hajarnis	Chief Technology Officer
Mr. Manish Verma	Head Investor Relations and Corporate Communications
Mr. Vadakke Madathil Maneesh Kumar	Head – Operations

5. REMUNERATION OF DIRECTORS:

- a. Executive Directors: Remuneration payable to the Executive Directors is in line with the Act, SEBI Listing Regulations and RBI Regulations and Remuneration Policy for directors/KMPs. Remuneration of Executive Directors includes fixed salary, perquisites, variable pay in the form of commission, other benefits, and allowances and certain retiral benefits. The remuneration to Executive Directors is determined by the Nomination and Remuneration Committee which is subsequently approved by the Board of Directors as per the authority given by the shareholders at the General Meeting.

Non-Executive Directors: Remuneration to Non-Executive Directors is paid by the way of Sitting Fees/ Commission. The criteria for payment of remuneration to Non-Executive Directors is in consonance with the Remuneration Policy of the Company which is available on our website i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>.

b. The details of the remuneration paid to the directors for the FY ended March 31, 2026, is as follows:

(₹. In Crores)						
Sr. No.	Directors	Salary and allowances	Commission (variable)	Share Based Payment	Sitting fees	Total
1.	Mr. Adar Cyrus Poonawalla	-	-	-	0.04	0.04
2.	Mr. Arvind Kapil	10.00	-	-	-	10.00
3.	Mr. Sunil Samdani	5.39**	-	4.17	-	9.56
4.	Mr. Vikas Pandey#	0.51	-	-	-	0.51
5.	Ms. Sonal Sanjay Modi	-	0.50	-	0.40	0.90
6.	Mr. Bontha Prasada Rao*	-	0.35	-	0.13	0.48
7.	Mr. Prabhakar Dalal	-	0.50	-	0.26	0.76
8.	Mr. Sanjay Kumar	-	0.50	-	0.21	0.71
9.	Ms. Kemisha Soni	-	0.50	-	0.27	0.77
10.	Mr. Kewal Handa	-	0.50	-	0.15	0.65
11.	Mr. Rajeev Sardana	-	0.50	-	0.17	0.67

#Appointed as Executive Director from January 16, 2026

*Cessation on December 09, 2025

**Including variable component

Salient features of the terms of appointment	Mr. Arvind Kapil (Managing Director and Chief Executive Officer)	Mr. Sunil Samdani (Executive Director)	Mr. Vikas Pandey# (Executive Director)
Period of appointment	Five years	Five years	Five years
Remuneration (₹ in Crores)	Refer the above table		
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service.	Gratuity payable shall not exceed half a month's salary for each completed year of service.	Gratuity payable shall not exceed half a month's salary for each completed year of service.
Contribution to Provident Fund	Contribution to Provident Fund will be as per statutory act.	Contribution to Provident Fund will be as per statutory act.	Contribution to Provident Fund will be as per statutory act.
Notice period	Three months prior written notice to the Company.	Three months prior written notice to the Company.	Three months prior written notice to the Company.
Severance fees	There is no separate provision for payment of severance fees.	There is no separate provision for payment of severance fees.	There is no separate provision for payment of severance fees.
**Stock Options	80 Lakh stock options granted at an exercise price of ₹ 459.58/- each under Employee Stock Option Plan-2024- Scheme -II	10 Lakh stock options at an exercise price of ₹ 300.26/- each under Employee Stock Option Plan- 2021	10 Lakh stock options granted at an exercise price of ₹ 471.55/- each under Employee Stock Option Plan-2024- Scheme -II*
Corporate Club Membership	Yes	NA	NA

Revision in remuneration for FY 2025-26 is in accordance with the shareholders approval.

#Appointed as Executive Director w.e.f. January 16, 2026

*4 Lakh stock options granted at an exercise price of ₹ 418.60/- each under Employee Stock Option Plan- 2024- Scheme -II on May 04, 2026

**Grant as per appointment terms and Company's policy

c. Pecuniary relationship or transactions:

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the year other than receipt of sitting fees for the meetings of Board and its Committees, commission and their shareholding, if any, in the Company.

d. Remuneration Policy:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has adopted a Remuneration Policy which, inter alia, deals with the manner of selection of Board of Directors and Executive Directors and their remuneration. The Remuneration Policy is in consonance with the industry practice. The Policy of the Company is available on our website i.e. <https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056>.

Compensation Policy:

In accordance with the applicable guidelines issued by the RBI, the Company has adopted a Compensation Policy applicable to all employees. The Policy is designed to ensure that compensation practices are aligned with the Company's core value, strategic business goals risk framework, and regulatory expectations.

e. Selection criteria for Directors, SMP and KMP:

- Selection of Executive Director/s shall be on the line of selection criteria laid down for Independent Directors, insofar as those criteria are not inconsistent with the nature of appointment and in accordance with the provisions of Articles of Association; Committee is responsible for identification, shortlisting and recommendation of the candidature of person for the position of MD or any other Director to the Board of Directors or appointed in the senior management of the Company;
- Nominee Directors shall be taken on Board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/subscription agreement/s the Company has/will have with such investor/s;

- Independent Directors will be selected on the basis of identification of industry/subject leaders with strong experience. The advisory area and therefore the role, may be defined for each Independent Director;
- SMP shall usually comprise the function and business heads who directly report to the CEO/ MD;
- For any SMP recruitment, it is critical to identify the necessity for that role in the context of the Company. In order to validate the requirement.
 - i) Job Description ("JD") along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;
 - ii) The recruitment process shall generally involve meetings with Chief Human Resources Officer, MD & CEO and/or identified members of the Nomination and Remuneration Committee ('NRC') and Board, on the basis of which the candidature will be finalised;
 - iii) The total remuneration to be offered to the new candidate as above, shall be placed before the NRC for their concurrence and recommendation to the Board. Thereafter, the offer shall be rolled out to the new candidate.

f. Independence test for the Independent Directors to be appointed:

- For each Independent Director, the appointment shall be based on the balance of skills, knowledge and experience, in the existing Board and roles and capabilities required of an Independent Director;
- The role and duties of the Independent Director shall be clearly specified by highlighting the Committees they are expected to serve on, as well as the expectations of the Board from them;
- For the purpose of identifying suitable candidates, the NRC may:
 - i) use the services of an external agency, if required;
 - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and



iii) consider the time commitments of the candidates.

- At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;
- Any appointment of the Independent Director shall be approved at the meeting of the shareholders by way of special resolution, at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier;
- Director's Independence test shall be conducted as per the conditions specified in the Act and the rules thereunder;
- Board's expectation from each Independent Director shall be clearly mentioned in the appointment letter;
- The Independent Director shall confirm having read and complied with the Company's code of conduct. They shall also need to confirm and sign the Independence Test;
- The remuneration of the directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the directors; and
- Company Secretary shall be involved in the familiarization/induction process for the Independent Director/s.

g. Remuneration policy for the Directors (including Independent Directors), KMP and SMP:

- The Non-Executive Directors including Independent Directors would be paid sitting fees subject to the limits prescribed under the Act, or any amendments thereto, as may be determined by the NRC from time to time, for attending each meeting(s) of the Board and Committees thereof;
- Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the Board and Committee meetings;
- Additionally, the Independent Directors be paid remuneration by way of commission for each FY:
 - i) Total commission pay out to all Independent Directors (including Non-Executive Directors) in aggregate shall be restricted to a limit of 1% of net profits of the Company as determined in

accordance with Section 198 of the Act, further subject to recommendation by the NRC and determination by the Board, as further subject to approval by the shareholders of the Company at the AGM.

- ii) The Independent Directors may be paid remuneration in case of no profits or inadequate profit in addition to the sitting fees as per the provisions of Schedule V of the Act.
- iii) NRC shall recommend quantum of commission which, in its best judgement and opinion is commensurate with the level of engagement each Independent Director would have with the members of SMP and/or other Board members, towards providing inputs, insights and guidance on various matters of importance from time to time.

- The remuneration paid to MD/Whole-time Director(s) shall be considered by the NRC considering various parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the Members at the next General Meeting of the Company in consonance with the provisions of the Act and the rules made thereunder;
- For KMP and SMP, remuneration shall be based on the key responsibility areas identified and the achievement thereof. The increments shall usually be linked to their performance as well as the performance of the Company. The total compensation shall comprise of fixed and variable components. Fixed compensation will be determined based on size and scope of the job, trends in the market value of the job and the skills, experience, and performance of the employee. Fixed compensation will include basic salary, HRA, special allowance, contribution to provident funds, gratuity etc.;
- KMP and SMP may also be eligible for long Term Incentive Plan in the form of stock options or any other equivalent instrument.

6. SUBSIDIARY COMPANY:

Regulation 16(1)(c) of the SEBI Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

During the year under review, the Company did not have any subsidiaries.

The Policy for determining Material Subsidiaries as approved by the Board may be referred to, at the website of the Company at its weblink i.e., <https://poonawallafincorp.com/documents/20121/0/Policy+on+Material+Subsidiary+Website+Version+No.+6.0.pdf/66667a92-58a0-08d2-e6fb-6c29126cbb70>

7. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES:

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct for trading in Company's securities under the overall supervision of the Board.

The Company has in place Board approved Code of Conduct to Regulate, Monitor and Report and Trading by Designated Persons as well as a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with aforesaid Regulations. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

The Code of Fair Disclosure may be referred to, at the website of the Company at its weblink i.e. <https://poonawallafincorp.com/documents/20121/0/Code+of+Fair+Disclosure+%281%29.pdf/4daf4093-aaf9-6e2a-6557-7c22cc318f76>

8. MEANS OF COMMUNICATION WITH SHAREHOLDERS

a. Quarterly, Half Yearly and Annual Results:

The quarterly/half yearly/un-audited/audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. These results are simultaneously posted on the web address of the Company at www.poonawallafincorp.com.

Quarterly, half-yearly and annual financial results of the Company are published in widely circulated national newspapers, as per the details given below:

1. The Financial Express (English language)
2. Loksatta (Marathi language)

b. Annual Reports and AGM:

The Annual Reports are emailed/posted to shareholder and others entitled to receive them. The Annual Reports are also available on the Company's website at <https://poonawallafincorp.com/investor-financials>. The Company also provides live webcast facility of its AGM in co-ordination with National Securities and Depository Limited ("NSDL"). In line with the MCA Circulars dated April 8, 2020, April 13, 2020, September 25, 2023, September 19, 2024 and, September 22, 2025 and SEBI Circulars dated May 13, 2022, October 07, 2023, October 03, 2024 and June 5, 2025 the Notice of the AGM along with the Annual Report 2025-26 was sent only through electronic mode to those shareholders whose e-mail addresses were registered.

c. Website:

Comprehensive information about the Company, its business and operations, press releases and investor information can be viewed at the Company's website at www.poonawallafincorp.com. The website contains a complete overview of the Company. The Company's Annual Report, financial results, details of its business, shareholding pattern, investors' presentation, compliance with Corporate Governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, the distribution schedule, credit ratings and Code of Conduct are uploaded on the website.

d. Presentations to institutional investors/analysts:

Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website at www.poonawallafincorp.com. During the

financial year 2025-26, Analyst Conference Calls were conducted on April 25, 2025, July 25, 2025, October 17, 2025 and January 16, 2026. Presentations to Institutional Investor/Analysts are uploaded on the Company's website <https://poonawallafincorp.com/investor-financials> under 'Investors' section. Transcript and audio recordings are also uploaded on our website.

e. Press releases:

Press reports are given on important occasions. They are sent to Stock Exchanges and also placed on the Company's website at www.poonawallafincorp.com

f. NSE Electronic Application Processing System ('NEAPS'):

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

g. BSE Listing Centre ('Listing Centre'):

BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

h. Extensible Business Reporting Language ("XBRL"):

XBRL is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. BSE and NSE provide XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and MCA. The XBRL filings are done on the NEAPS portal as well as the BSE online portal.

i. (a) SEBI Complaints Redress System ('SCORES'):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

SCORES Portal can be accessed at <https://scores.sebi.gov.in/scores-home>

(b) Online Resolution of Disputes in the Indian Securities Market through Online Dispute Resolution ('ODR') Portal:

SEBI has established a common Online Dispute Resolution Portal ODR Portal - ("https://smartodr.in/login") to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal. Link to access ODR portal is available on Company's website <https://poonawallafincorp.com/investor-info> [SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 and updated as on date]

j. Reminder to investors:

Communications to claim unclaimed/unencashed dividend on shares and KYC updation were sent to the concerned shareholders.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion & Analysis Report, giving an overview of the financial services industry, its business and its financials, forms part of the Board's Report.

10. GENERAL BODY MEETINGS:

a. Location and time of the last three AGM:

FY ended	Venue	Day and date	Time	Particulars of Special Resolutions passed
2024-25	Meeting was conducted through VC/OAVM and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra	Tuesday July 29, 2025	03:00 P.M.	No special resolution was passed.
2023-24	Meeting was conducted through VC/OAVM and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra.	Tuesday, July 23, 2024	02:00 P.M.	Special resolution mentioned below was passed with requisite majority: 1. To appoint Mr. Arvind Kapil (DIN: 10429289) as a MD & CEO of the Company
2022-23	Meeting was conducted through VC/OAVM and deemed venue was Registered Office of the Company at "201 & 202, 2 nd Floor, AP81, Koregoan Park Annex, Mundhwa, Pune – 411036, Maharashtra.	Tuesday, July 25, 2023	02:00 P.M.	No special resolution was passed.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of the SEBI Listing Regulations, the Company has been providing remote e-voting facility to its members to enable them to cast their votes by electronic means on all resolutions.

b. Location and time of the Extra Ordinary General Meetings ("EOGM"):

During the year under review, EOGM was not conducted

c. Postal Ballot:

During the year under review, Company sought the approval of the Members by means of 3(Three) postal ballots conducted through remote e-voting for the following business, which was duly passed with requisite majority, details appearing herein below:

Date of resolution passed	Resolution passed	Particulars of Resolutions	Voting Pattern	
			% of votes cast in favour of resolution	% of votes cast against the resolution
June 16, 2025	Special	Approve an amendment in the 'Employee Stock Option Plan - 2024 Scheme-II ("ESOP 2024 Scheme II") to increase the number of stock options in the Plan Pool allocated under ESOP 2024 Scheme II from 2 Crores stock options to 3.25 Crores stock options.	89.8711	10.1289
		Extension of grant of employee stock options to the employees of holding and subsidiary company(ies) (if any in future) of the Company under (ESOP 2024 Scheme II) as amended.	89.4927	10.5073

Date of resolution passed	Resolution passed	Particulars of Resolutions	Voting Pattern	
			% of votes cast in favour of resolution	% of votes cast against the resolution
August 25, 2025	Special	Issue, offer and allot equity shares on preferential basis.	99.9937	00.0063
		Consider and approve borrowing powers of the Board of Directors under Section 180 (1)(c) of the Act upto ₹ 75,000 crore (Rupees Seventy-Five Thousand Crore only).	99.7967	00.2033
		Creation of Security, Charges on the moveable and immoveable properties of the Company under Section 180(1)(a) of the Act, both present and future, in respect of borrowings.	99.7982	00.2018
February 19, 2026	Special	Raising of funds through issue of equity shares of ₹ 2/- each of the Company and/or other eligible securities convertible into equity shares of the Company through qualified institutions placement and/or through any other permissible mode.	99.9101	0.0899
		Appointment of Mr. Vikas Pandey (DIN: 11463386) as a Whole-time Director (Executive Director) of the Company.	99.8265	0.1735

d) Special Resolution proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report

e) Procedure followed for Postal Ballot:

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with Rules 20 and 22 of the Management Rules, Regulation 44 of the SEBI Listing Regulations and the MCA Circulars, Members can vote only through the remote e-voting. Accordingly, the Company provided remote e-voting facility to all its Members to cast their votes electronically and engaged the services of NSDL for facilitating the e-voting process.

Mr. Girish Bhatia (FCS: 3295 CP: 13792), Practising Company Secretary, acted as the Scrutinizer, for conducting the aforesaid Postal Ballot process, in a fair and transparent manner.

In terms of the MCA Circulars, the Company sent the postal ballot notices in electronic form only to its registered shareholders whose e-mail IDs were registered/available with the Depository Participants ("DP")/RTA (RTAs) as on a cut-off date. Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting. The scrutinizer, after the completion of scrutiny, submitted his report.

The consolidated results of the voting by postal ballot and e-Voting were then announced and the results were also displayed at the Registered Office of the Company and on the Company's website besides being communicated to BSE Limited, National Stock Exchange of India Limited and NSDL.

11. GENERAL SHAREHOLDERS' INFORMATION:

The shareholders are kept informed by way of mailing of Annual Reports, notices of AGM, Extra Ordinary General Meetings, Postal Ballots and other compliances under the Act and SEBI Listing Regulations. The Company also issues press releases and publish quarterly results and business updates.

a) AGM details	
Date	: Friday, July 24, 2026
Venue	: Venue: VC or through OAVM. Deemed Venue: Registered Office.
Time	: 03:00 PM IST
b) Financial Year	: The FY covers the period from April 01 to March 31.
c) Dividend payment date and rate	: In view of the future growth of the Company, the Board has decided to conserve capital and therefore no dividend was declared for FY 2025-26.

d) Listing of shares:

The equity shares of the Company are listed on –

Name of Stock Exchanges	Stock code	ISIN
National Stock Exchange of India Limited (NSE) 5, Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051.	POONAWALLA	INE511C01022
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.	524000	

e) Payment of Listing Fees : Annual listing fees have been paid by the Company to BSE and NSE.

f) None of the Company's securities have been suspended from trading.

g) Registrar to an Issue and Share Transfer Agents and Share Transfer Agents:

i)	Physical and Demat Mode (Securities)	: MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited) C-101, 1 st Floor, Embassy 247, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, 400083, Maharashtra Tel No.: + 022 49186060 Email: Investor.helpdesk@in.mpms.mufg.com Website: www.in.mpms.mufg.com
ii)	Demat Mode (Retail Non-Convertible Debentures)	: K - Fin Technologies Limited "Selenium Tower - B", Plot No. 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad -Rangareddy, Telangana - 500032 Tel: + 040 6716 2222 E-mail: einward.ris@kfintech.com Website: www.kfintech.com

h) Share Transfer System : Trading of shares to be compulsorily dematerialized form:

The equity shares of the Company can be traded only in dematerialised form. The dematerialisation facility is available with NSDL and CDSL. Pursuant to the amendment to Regulation 40 of the SEBI Listing Regulations, transfer of shares held in physical form cannot be processed and hence, the equity shares are to be compulsorily traded in electronic form by all shareholders. Shareholders holding shares in physical form are advised to dematerialize their existing holdings.

Mandatory dematerialization:

As per mandate from SEBI vide its Master Circular No. HO/38/13/ (4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, the listed companies shall issue securities in dematerialized form only while processing the various service requests received from the shareholders.

The securities holder/claimant shall submit duly filled up Form ISR-4 along with the documents/details specified therein. The investors shall have a demat account before submitting the service request. Latest Client Master List ('CML') of the demat account, not older than two months and duly attested by the DP and duly filled in demat conversion request form shall be submitted by the investor along with the service request to the RTA.

The shareholders may approach the nearest Depository Participant or browse through the website of NSDL (www.nsdl.co.in) and CDSL (www.cdslindia.com) for further clarification in this regard. Shareholders are requested to contact the MUFG Intime India Pvt Ltd for any queries in regard to the aforesaid or contact at the registered office of the Company.

Process for dematerialisation of shares is available at the website of the Company at weblink i.e. <https://poonawallafincorp.com/investor-info>

Simplified Norms for processing Investor Service Request:

Mandatory update of PAN, KYC and nomination details and linking of PAN and Aadhaar by holders of physical shares:

As per mandate from SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Contact details (Postal Address with PIN and Mobile Number), Bank A/c details and Specimen signature for their corresponding folio numbers.

The security holder(s) whose folio(s) do not have PAN, contact details, bank account details and specimen signature updated, shall be eligible:

- to lodge grievance or avail any service request from the RTA only after furnishing PAN and KYC details.
- for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024.

Shareholder are requested to send an email request along with duly signed Form ISR-1 and other relevant forms to MUFG Intime India Pvt Ltd. at the e-mail ID: Investor.helpdesk@in.mpms.mufg.com.

The forms for updation of PAN, KYC, bank details and nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI circular are available on our website at <https://poonawallafincorp.com/investor-info>

In compliance with the above stated SEBI Circular, the Company has sent individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination.

Members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI Circular along with the supporting documents, wherever required, to our RTA, MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Pvt. Ltd). for immediate action. Email: Investor.helpdesk@in.mpms.mufg.com

A copy of such forms can be downloaded from the website of the Company at www.poonawallafincorp.com or from the website of our RTA at www.in.mpms.mufg.com → Resources → Downloads → KYC → Formats for KYC.

Payments only in electronic mode:

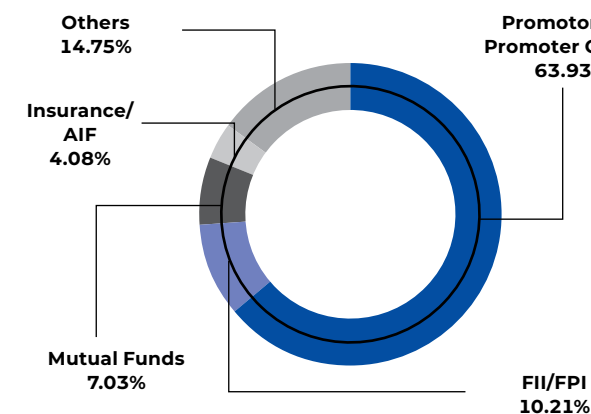
The SEBI Regulations has mandated payment of dividends, interests, redemption or repayment amounts to be made only in electronic mode. Shareholders are requested to update your bank account details, to ensure direct credit of said amounts.

i) Distribution of shareholding as on March 31, 2026

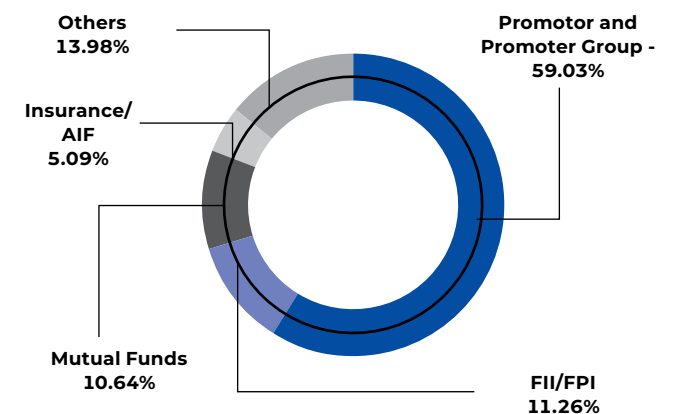
Sr. No.	Shareholding of Shares	Number of Shareholders	% to total shareholders	Shares	% to total capital
1.	1 to 500	174,730	91.54	14,134,660	1.74
2.	501 to 1000	7,768	4.07	6,164,428	0.76
3.	1001 to 2000	3,939	2.06	5,931,594	0.73
4.	2001 to 3000	1,404	0.74	3,597,065	0.44
5.	3001 to 4000	638	0.33	2,270,775	0.28
6.	4001 to 5000	511	0.27	2,408,229	0.30
7.	5001 to 10000	852	0.45	6,320,545	0.78
8.	10001 and above	1,028	0.54	771,990,362	94.98
TOTAL:		190870	100.00	812,817,658	100.00

j) Shareholding Pattern as on March 31, 2026:

Shareholding Pattern (as on March 31, 2026)



Shareholding Pattern (Post QIP - April 13, 2026)

**k) Dematerialization of shares and liquidity**

The Company's shares enjoy demat facility with NSDL and CDSL having the following ISIN Nos. for Equity Shares: -

INE511C01022 for 812,817,658 equity shares of face value of ₹ 2/- each.

As on March 31, 2026, 812,817,658 equity shares constituting 99.94% Equity Shares of the total holding were held in demat mode.

Members still holding physical share certificates are requested to dematerialize their shares by approaching any of the DP registered with the SEBI.

l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

As on March 31, 2026, there are no outstanding GDRs/ADRs/warrants or any convertible instruments.

m) Commodity Price Risk or Foreign Exchange Risk and Hedging activities

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Accordingly, the disclosure pursuant to Section VI-E of Chapter VI of the 'SEBI Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' dated July 11, 2023, is not required to be furnished by the Company. The Company manages the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The details of foreign currency risk as on March 31, 2026 are disclosed in Note No. 50 to the standalone Financial Statements.

n) Plant locations

In view of the nature of business activities carried on by the Company, the Company operates from various offices and branches in India and does not have any manufacturing plant.

o) Address for correspondence for Shares/Debentures and related matters

Ms. Shabnum Zaman
Company Secretary and Compliance Officer
201 and 202, 2nd Floor, AP 81, Koregaon Park Annex, Mundhwa,
Pune- 411 036 Maharashtra
Email Id: secretarial@poonawallafincorp.com



p) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant FY, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Instrument	Ratings	Rating Agency
	Rating Under Basel Guidelines		
	Commercial Paper/Short Term Bank Facilities	A1+	CARE/CRISIL
	Non-Convertible Debentures	AAA; Stable	CARE, CRISIL, BRICKWORK, ACUITE
	Market linked Debentures	PP MLD AAA; Stable	CARE
	Subordinated Debt	AAA; Stable	CARE, CRISIL, ACUITE, BRICKWORK
	Perpetual Debt Instruments	AA+;Stable	CARE/CRISIL
q) Company's registered office	201 and 202, 2 nd Floor, AP 81, Koregaon Park Annex, Mundhwa, Pune - 411036. Maharashtra		
	Company's Corporate Office		
	Unit No 2401, 24 th floor, Altimus, Dr. G.M. Bhosale Marg, Worli, Mumbai - 400018. Maharashtra		
r) Book Closure date	The register of members and share transfer books of the Company will remain closed from Saturday, July 18, 2026, to Friday, July 24, 2026 (both days inclusive) for the purpose of AGM.		
s) Financial calendar (tentative)			
Financial reporting for the quarter ending			
01st quarter ending June 30, 2026			
02nd quarter ending September 30, 2026	End of the subsequent month from the end of the quarter.		
03rd quarter ending December 31, 2026			
04th quarter ending March 31, 2027			
AGM for the year ending March 31, 2027	AGM to consider such annual accounts will be held in the second quarter of the FY		
t) Contact person for clarification on Financial Statements	For clarification on Financial Statements, kindly contact: Mr. Sanjay Miranka Chief Financial Officer Email: secretarial@poonawallafincorp.com		
u) Nomination facility	As per the provisions of Section 72 of the Act, the facility for making nominations is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. If a member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in form ISR-3 or form SH-14, as the case may be. The said forms can be downloaded from the Company's website under the weblink at https://poonawallafincorp.com/investor-info Members are requested to submit the said form to their respective DPs in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.		

v) Requirement of PAN	Members who hold shares in the physical form are advised that in terms of the SEBI Listing Regulations, for transmissions of shares etc., a copy of the PAN card along with other necessary documents shall be submitted to the RTA.
w) Rights of Members	The following are some of the important rights of the members: 1. Receive notices of General Meetings, Annual Report, etc. 2. Attend and vote at the General Meetings and appoint proxy in their stead. 3. Request an Extraordinary General Meeting along with other members who collectively hold not less than 1/10 th of the total paid up share capital of the Company carrying voting rights. 4. Receive dividends and other corporate benefits like rights, bonus shares etc., when declared/announced. 5. Inspect minutes book of General Meetings. 6. Inspect Register of Members. 7. Nominate a person to whom his/her shares shall vest in the event of death. 8. Seek relief in case of oppression and mismanagement in the manner given under Section 241 of the Act. 9. Seek relief in case the affairs of the Company are managed in a manner prejudicial to the interest of the Company or its members by virtue of a Class Action Suit under Section 245 of the Act.
x) Debt Securities Listing	The Wholesale Debt Market (WDM) Segment of BSE and NSE
y) Debenture Trustees	Pursuant to Regulation 53 of the SEBI Listing Regulations the name and contact details of the Debenture Trustee for the privately placed Non-Convertible Debentures ("NCDs") and retail NCDs are given below: Catalyst Trusteeship Limited 'GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud, Pune 411 038 Maharashtra, India Tel: +91 22 4922 0555 Fax: + 91 22 4922 0505 E-mail: ComplianceCTLMumbai@ctltrustee.com Investor Grievance Email: grievance@ctltrustee.com
(z) Disclosure with respect to demat suspense account	The Company does not have any shares in demat/unclaimed suspense account.
aa) Disclosure of certain types of agreements binding listed entities	During the year under review, the Company has not disclosed any information under Clause 5A of Paragraph A of Part A of Schedule III of SEBI Listing Regulations. Hence the same is not applicable.

12. OTHER DISCLOSURES

1. Disclosures on materially significant related party transactions:

All related party transactions that were entered into during the FY were on an arm's length basis and were usually in the ordinary course of business. There have been no material significant related party transactions between the Company and its directors, their relatives or associates. All Related Party Transactions are placed before the Audit Committee. Disclosure of transactions with related parties is provided in notes to the financial statements, forming part of the Annual Report.

2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

No penalties and/or strictures have been imposed on the Company in this regard during the FY 2025-26, FY 2024-25 & FY 2023-24. There was one day delay in filing the in-principle application to the stock exchange under Regulation 160 (f) of SEBI ICDR due to technical issues encountered. In this regard NSE had issued Advisory Letter to place the letter before ensuing Board meeting and the Company

had placed the same in Board Meeting held on October 17, 2025.

3. Vigil mechanism/Whistle Blower:

The Company has in place Board approved Policy on Breach of Integrity and Whistle Blower (Vigil mechanism). The Policy was framed with an objective to deal with issues pertaining to integrity, encouraging the employees and directors of the Company to raise any concern about Company's operations and working environment, including possible breaches of Company's policies and standards, without fear of adverse managerial action being taken against such employees.

It provides a channel to Whistle Blower to report concerns about any Alleged Wrongful Conduct and to build and strengthen a culture of instances of such suspected or confirmed incident of fraud/ misconduct may be reported on the designated email id i.e. whistleblower@poonawallafincorp.com

An Ethics & Disciplinary Committee as constituted under the vigil mechanism looks into the complaints raised and their redressal. The Committee reports to the Audit Committee.

The mechanism also provides for adequate safeguards against victimization of employees to avail of the mechanism and in exceptional cases direct access to the Chairman of the Audit Committee to report instances of fraud/ misconduct. During the year under review, no employee was denied access to the Audit Committee.

The said Policy may be referred to, at the website of the Company at its weblink i.e. https://poonawallafincorp.com/documents/20121/0/2.+PFL_Breach+of+Integrity+and+Whistle+Blower+Vigil+Mechanism+Policy_Version+No.7.0+%281%29.pdf/a4086e28-bead-0511-93e5-b630b38a9bce

4. Adoption of mandatory and non-mandatory requirements of Regulation 27(1) of SEBI Listing Regulations and Schedule V.

The Company has adopted all the non-mandatory requirements as stated under Part E of Schedule II to the SEBI Listing Regulations and reproduced herein below:

A. The Board:

The Chairman is the Non-Executive Director and does not maintain any office at the expense of the Company.

B. Shareholder rights:

Since the quarterly, half yearly and annual financial results of the Company are published in newspapers on all India basis and are also posted on the Company's website, these are not sent individually to the shareholders of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the 'Investors' section. The complete Annual Report is sent to every shareholder of the Company through electronic mode at email ids registered with the RTA/DP.

C. Modified opinion(s) in audit report:

It is always the Company's endeavour to present unmodified Financial Statements.

D. Separate posts of Chairman and MD:

As on the date of this Report, the Chairman of the Board is a Non-Executive Director, and his position is separate from that of the MD.

E. Reporting of Internal Auditor:

The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the MD.

F. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.:

During the year under review, the Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

G. Independent Directors:

During the FY 2025-26, the Independent Directors met on October 15, 2025 & March 27, 2026 without the presence of Non-Independent Directors and Members of Management.

5. Policy for determining 'Material' Subsidiaries

The Policy for determining Material Subsidiaries as approved by the Board may be referred to, at the website of the Company at its weblink i.e. https://poonawallafincorp.com/documents/20121/0/Policy+on+Material+Subsidiary_Website+Version+No.+6.0.pdf/66667a92-58a0-08d2-e6fb-6c29126cbb70

6. Policy on dealing with Related Party Transactions:

The Policy on Related Party Transactions as approved by the Board is available on the Company's website at its weblink i.e. https://poonawallafincorp.com/documents/20121/0/3.+Policy+for+Related+Party+Transactions_Clean+Version+No.+8.pdf/1c289655-513f-f60d-cb8f-5b6fb35196c6

7. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI Listing Regulations:

On September 17, 2025, the Company allotted 3,31,48,102 fully paid-up Equity shares of face value ₹ 2/- each at an issue price of ₹ 452.51/- per equity share (including a premium of ₹ 450.51/- per equity share) aggregating to ₹ 1,499.98 Crore (Rupees One Thousand Four Hundred Ninety Nine Crores and Ninety Eight Lakh only) as determined in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") by way of preferential allotment to Rising Sun Holdings Private Limited,

Promoter of the Company in accordance with the SEBI ICDR Regulations and the Act.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, the Company has fully utilised the funds raised through preferential issue for the objects stated in the offer document and notice seeking members' approval i.e., Prepay/repay the borrowings including interest thereon of the Company, AUM growth and for lending towards various financing activities as per applicable law/regulation for NBFC and general corporate purposes. CARE Ratings Ltd., monitoring agency, has issued reports confirming utilisation of funds as per stated objects. The said report is available on the Company's website at <https://poonawallafincorp.com/investor-governance>. Statement of fund utilisation pursuant to Regulation 32 of the SEBI Listing Regulations has also been filed with the stock exchanges for Preferential Issue.

Further, please note that the Committee of Directors of the Board of the Company at its meeting held on April 13, 2026, approved the allotment of 67,430,883 fully paid-up equity shares of face value ₹ 2/- each to eligible qualified institutional buyers at an issue price of ₹ 370.75 per equity share (including a premium of ₹ 368.75 per equity share) (which includes a discount of ₹ 19.51 per equity share (5.00% of the floor price, as determined in terms of the SEBI ICDR Regulations) against the floor price of ₹ 390.26 per equity share, aggregating to ₹ 2500 Crore (Rupees Two Thousand Five Hundred Crores only), pursuant to the issue. Utilisation report under regulation 32(7A) of SEBI Listing Regulations, 2026, will be disclosed as per applicable timelines.

8. All the recommendations of the various Committees were accepted by the Board.

9. Total fees for all services paid by the listed entity and its subsidiary, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

During the year, details of fees paid/payable to MSKA & Associates LLP and, Kirtane & Pandit LLP, Statutory Auditors by the Company and its subsidiary, are given below:

Particulars	(₹ In Crores)		
	MSKA & Associates LLP		
	By the Company	By the Subsidiary	Total Amount
Statutory Audit (including Limited review)	1.34	-	1.34
Other Services	0.36	-	0.36
Out-of-pocket expenses	0.23	-	0.23
Total	1.93	-	1.93

Particulars	Kirtane & Pandit LLP		
	By the Company	By the Subsidiary	Total Amount
Statutory Audit (including Limited review)	0.60	-	0.60
Other Services	0.38	-	0.38
Out-of-pocket expenses	0.05	-	0.05
Total	1.03	-	1.03

Note: The above fees are exclusive of applicable tax.

10. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

The following is a summary of Sexual Harassment complaint(s) received and disposed off during the year 2025-26, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder:

- a. number of complaints filed during the FY: Nil
- b. number of complaints disposed off during the FY: Nil
- c. number of complaints pending as on end of the FY: Nil

11. During the year under review, no loans and advances were granted to firm/companies in which directors are interested by Company and its subsidiary besides as disclosed in financial statements.

12. All the amounts raised by the Company through private placement of NCDs during FY 2025-26 have been fully utilised towards the purposes for which these amounts were raised and there has been 'no deviation' in utilisation of the proceeds raised.

13. The Company has complied with all the requirements of Corporate Governance Report as stated under the SEBI Listing Regulations.

14. The Company has received sufficient disclosures from promoters, directors or the senior management wherever applicable.

15. The Company follows Indian Accounting Standards (Ind-AS) issued by the MCA in the preparation of its financial statements.

16. During the year there was no incident reported with respect to cyber security or breaches or loss of data or documents.

17. Details of Material Subsidiary

There is no material subsidiary in the Company as on March 31, 2026.

18. Reconciliation of Share Capital:

During the year under review, an audit was carried out at the end of every quarter by Practising Company Secretary for reconciling the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL. The report for every quarter upon reconciliation of capital was submitted to the stock exchanges.

19. Other Shareholders information:

A) Transfer of unclaimed/unpaid amounts to Investor Education and Protection Fund:

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the IEPF Authority (Accounting,

Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the IEPF, maintained by the Central Government. In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the FY ended March 31, 2018, have been transferred to the IEPF. The details of the unclaimed dividends so transferred are available on the Company's website at www.poonawallafincorp.com and on the website of the MCA at www.mca.gov.in.

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the FYs ended March 31, 2018, and remained unclaimed are transferred to the IEPF. In this regard individual notices are being sent to the concerned shareholders for whom the dividend remains unclaimed and unpaid with the Company from FY 2018-19 onwards and newspaper publications will be made in accordance with the IEPF Rules.

The details of such shares transferred have been uploaded in the Company's website at www.poonawallafincorp.com.

The details of unclaimed dividends and Equity shares transferred to IEPF during the year 2025-26 are as follows:

Amount of unclaimed dividend transferred	Number of Equity shares transferred
₹ 3,09,720	20,622

The shareholders may claim the shares and dividend transferred to IEPF by making an online application to IEPF Authority in Form IEPF-5 available on the website www.iepf.gov.in along with the fee as may be prescribed by the Central Government, from time to time.

B) E-Voting:

E-voting is a common internet infrastructure that enables investors to vote electronically on resolutions of companies. The Company has entered into agreements with NSDL and CDSL for availing e-Voting facilities. The Company will also have the e-Voting facility for the items to be transacted at this AGM. The MCA has authorized NSDL and CDSL for setting up electronic platform to facilitate casting of votes in electronic form.

20. Practicing Company Secretaries' Certificate on Corporate Governance:

As required under Regulation 34 of the SEBI Listing Regulations, the Practicing Company Secretaries' certificate on Corporate Governance is annexed as **Annexure C** to this Report.

21. CEO and CFO Certification:

The certificate required under Regulation 17(8) of the SEBI Listing Regulations, duly signed by the MD and Chief Financial Officer of the Company, was placed before the Board. The same is provided as **Annexure D** to this report.

For and on behalf of the Board

Arvind Kapil
Managing Director &
Chief Executive Officer
DIN: 10429289

Place: Mumbai
Date: May 05, 2026

Sunil Samdani
Executive Director
DIN: 10301175

Place: Mumbai
Date: May 05, 2026

MD Certificate on Code of Conduct

Annexure A

Date: May 05, 2026

The Board of Directors
Poonawalla Fincorp Limited
201 and 202, 2nd Floor, AP 81,
Koregaon Park Annex, Mundhwa
Pune- 411 036

I, Arvind Kapil, Managing Director and Chief Executive Officer of Poonawalla Fincorp Limited hereby confirm that all the Board Members and Senior Management Team have affirmed compliance with the “Code of Conduct for Directors and Senior Executives of the Company”, as applicable to them for the year ended March 31, 2026.

Thanking You,
Yours sincerely,

For Poonawalla Fincorp Limited

Arvind Kapil
Managing Director and Chief Executive Officer
(DIN: 10429289)

Certificate of Non-Disqualification of Directors
(Pursuant to Regulation 34(3) and Schedule V para C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

Annexure B

To,
The Members,
Poonawalla Fincorp Limited
201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of POONAWALLA FINCORP LIMITED (“the Company”) having (CIN : L51504PN1978PLC209007) and having registered office at 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune, Maharashtra, India, 411036 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

SR. NO.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY
1	Mr. ADAR CYRUS POONAWALLA	00044815	01/06/2021
2	Mr. ARVIND RAVINDER KAPIL	10429289	10/06/2024
3	Mr. SUNIL MADHAV SAMDANI	10301175	20/10/2023
4	Mr. VIKAS SHYAMKUMAR PANDEY	11463386	16/01/2026
5	Mr. PRABHAKAR RAMCHANDRA DALAL	00544948	05/05/2021
6	Ms. KEMISHA SONI	06805708	30/01/2024
7	Mr. SANJAY KUMAR	09466542	15/01/2022
8	Ms. SONAL SANJAY MODI	03403571	16/08/2024
9	Mr. KEWAL KUNDANLAL HANDA	00056826	01/10/2024
10	Mr. RAJEEV SARDANA	06648276	18/12/2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Name: CS I U Thakur
Partner
FCS: 2298
CP: 1402
UDIN: F002298H000278299
Peer Review Certificate No.: 5460/2024

Date: 05/05/2026
Place: Pune

Certificate on Corporate Governance

Annexure C

To,
The Members,
Poonawalla Fincorp Limited
201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune, Maharashtra, India, 411036

We have examined the compliance with conditions of Corporate Governance by POONAWALLA FINCORP LIMITED ("the Company"), for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub- regulation 46 (2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses and/or Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Name: CS I U Thakur
Partner
FCS: 2298
CP: 1402
UDIN: F002298H000278288
Peer Review Certificate No.: 5460/2024

Date: 05/05/2026
Place: Pune

CERTIFICATION IN TERMS OF REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Annexure D

Date: May 05, 2026

The Board of Directors
Poonawalla Fincorp Limited
201 and 202, 2nd Floor, AP 81,
Koregaon Park Annex, Mundhwa
Pune- 411 036

We, the undersigned in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of Poonawalla Fincorp Limited, certify to the Board in terms of Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that we have reviewed the Financial Statements and the Cash Flow Statement of the Company for the Financial Year ended March 31, 2026.

1. To the best of our knowledge and belief, we certify that:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading.

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iii) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
2. For the purpose of Financial Reporting, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
3. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

(a) significant changes, if any, in the internal controls over financial reporting during the year.

(b) significant changes, if any, in the accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and

(c) instances of significant fraud, if any, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Poonawalla Fincorp Limited

Arvind Kapil
Managing Director and Chief Executive Officer
(DIN: 10429289)

For Poonawalla Fincorp Limited

Sanjay Miranka
Chief Financial Officer

Business Responsibility & Sustainability Reporting (BRSR)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L51504PN1978PLC209007
2.	Name of the Listed Entity	Poonawalla Fincorp Limited ("PFL/the Company")
3.	Year of incorporation	December 18, 1978
4.	Registered office address	201 and 202, 2 nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411036 Maharashtra, India
5.	Corporate address	2401, 24 th Floor, Altimus, Dr G.M. Bhosale Marg, Worli, Mumbai- 400018 Maharashtra, India
6.	E-mail	secretarial@poonawallafincorp.com
7.	Telephone	020- 67808090
8.	Website	www.poonawallafincorp.com
9.	Financial year for which reporting is being done	01-04-2025 to 31-03-2026
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 162,56,35,316 (As on March 31, 2026)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shabnum Zaman Company Secretary Telephone - 020- 67808090 Email address - secretarial@poonawallafincorp.com
13.	Reporting boundary <i>Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).</i>	Standalone basis
14.	Name of the assessment or assurance provider	BDO India Services Private Limited
15.	Type of the assessment or assurance obtained	Reasonable Assurance (BRSR Core Indicators) Limited Assurance (BRSR Indicators other than Core Indicators)

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. no.	Description of main activity	Description of business activity	% of turnover of the entity (FY2025-26)
1	Financial and insurance Service	Financial and Credit leasing activities	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Financial and related services	K Group: 649	100

Our product portfolio comprises loans against property, instant consumer loans, mid-market loans, business loans, pre-owned car loans, prime personal loans, gold loans, education loans, professional loans, consumer durable loans, machinery and medical equipment loans, commercial vehicle loans and shopkeeper loans.

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Contact Centre	Total
National	504* (Branches)	3**	6	513
International	0	0	0	0

*Consisting of 104 Retail branches and 400 Gold Loan branches

**Including Corporate office and Registered office

19. Markets served by the entity:

a. Number of locations:

Locations	Number
National (No. of States)	20 states
International (No. of Countries)	None

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company, being an NBFC, does not export any products/services. Thus, this question is not applicable.

c. A brief on types of customers

Financing needs in India have risen in sync with the significant economic growth over the past decade. NBFCs have played a major role in meeting this need, complementing banks and other financial institutions. NBFCs help fill gaps in the availability of financial services with respect to products as well as customer and geographic segments.

The Company focuses on two well defined customer segments of consumer and MSME. For these segments the Company offers a wide array of products and services to cater to their specific ever-evolving needs.

Product Portfolio

As of March 31, 2026, we have a diversified suite of 13 loan products, as detailed below:

Loan against property: Loan against property provide long-tenure, collateralized financing for working capital and business requirements, primarily catering to self-employed entrepreneurs and MSMEs with healthy credit bureau profiles.

Instant consumer loan: We offer digitally originated, instant personal loan designed for rapid, paperless access to credit for salaried and self-employed customers with stable credit histories.

Mid-market loan: Mid-market loans are provided to corporates and NBFCs to support their growth capital, capital expenditure, working capital, supply chain financing, acquisition financing and other requirements.

Business loan: Business loan primarily serve working capital and long-term business needs of self-employed entrepreneurs and MSMEs with formal and cash-flow-visible profiles.

Pre-owned car loan: Pre-owned car loans are offered primarily to customers with stable credit histories, for purchase of second-hand vehicles.

Prime personal loan: Prime personal loan target financially strong, salaried professionals from established corporates, offering quick-to-approve loans. Borrowers are required to have an established and stable credit history and are typically located in Tier 1 and Tier 2 cities.

Gold loan: Gold loans are collateral-backed loan delivered through dedicated gold loan branches, targeted at retail customers in Tier 2 and Tier 3 households.

Education loan: Education loans provide financing for higher education, primarily Indian students who are pursuing master's degrees (including engineering, business, computer science, medicine and law) at leading universities abroad. Education loans are primarily unsecured loans and are to be used by students for funding tuition fees, living costs, student visas, travel expenses, insurance premiums and study materials, among others.

Professional loan: Professional loans primarily cater to professionals from diverse backgrounds, offering financing to expand their practices and meet their working capital needs. Professional loans are unsecured loans.

Consumer durable loan: Consumer durable loans entail digital, instant, equated monthly instalment financing for appliances, electronics and home upgrades, targeted at Tier 2 and Tier 3 households with existing credit profiles.

Machinery and medical equipment loan: Machinery and medical equipment loans finance equipment purchases for businesses, including MSMEs and healthcare practices. Machinery and medical equipment loans are secured loans, collateralized by the underlying machinery and medical equipment.

Commercial vehicle loan: Commercial vehicle loans finance used commercial vehicles for transport businesses, catering primarily to small fleet operators in Tier 2 and Tier 3 cities. Commercial vehicle loans are secured loans, collateralized by the underlying commercial vehicle.

Shopkeeper loan: Shopkeeper loans provide working capital to small retail shops and micro-retailers using cash-flow and transaction history-based underwriting. Shopkeeper loans are unsecured loans.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	5860	5110	87.20%	750	12.80%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	5860	5110	87.20%	750	12.80%
Workers						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total workers (F + G)	NA	NA	NA	NA	NA

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
#Differently abled employees						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
Differently abled workers						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	Total differently abled workers (F + G)	NA	NA	NA	NA	NA

#The Company embraces diversity and does not discriminate against anyone based on their race, gender, religion, beliefs, disability, marital status, age, gender identity, or any other factor.

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	2	20%
#Key Management Personnel	5	1	20%

#The Company has 5 KMPs out of which 3 are Directors.

22. Turnover rate for permanent employees and workers:

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.90%	2.50%	22.40%	14.35%	2.14%	16.49%	10.00%	1%	11%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures:

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	#Rising Sun Holdings Pvt Ltd	Holding	NA	No
2	##Jaguar Advisory Services Private Limited	Joint venture	48.89%	No

#Rising Sun Holdings Pvt Ltd held 63.93% as on March 31, 2026

##Refer note no. 18 of the standalone financial statement.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (Rs in Crores) 6,795.65

(iii) Net worth (Rs in Crores) 10,297.56

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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes E-mail at csr@poonawallafincorp.com (https://poonawallafincorp.com/contact-us.php)	0	0	0	0	0	Community grievances are redressed through implementing agency
#Investors (other than shareholders)	Yes (https://poonawallafincorp.com/investor-info.php)	0	0	None	2	1	Action Taken Report for one complaint was submitted on SEBI SCORES, which has since been resolved and closed.
Shareholders	Yes (https://poonawallafincorp.com/investor-info.php)	9	0	None	8	1	Action Taken Report for one complaint was submitted on SEBI SCORES, which has since been resolved and closed.
Employees and workers	Yes https://poonawallafincorp.com/documents/20121/0/POSH+Policy+%281%29.pdf/e22462b7-6f3d-33d7-6490-59e10651055f Employee Grievance Redressal Guideline Email at: redressal@poonawallafincorp.com	1	0	None	0	0	None
##Customers	Yes https://poonawallafincorp.com/documents/d/poonawalla-fincorp/grievance-redressal-policy	19,871	2,150	Pending complaints as on March 31, 2026 is being addressed in April, 2026	2,901	387	Pending complaints as on March 31, 2025 have been suitably addressed in April, 2025
Value Chain Partners	No	0	0	None	0	0	Vendors route their grievances through the business team that they engage with, there have been no substantial grievances reported in this reporting period. SPOC details and dispute resolutions clause is available in the master service agreement.
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

#Holders of Non-Convertible Debentures

##The increase in volume is owing to increase in AUM, new product offerings and added customer awareness.

26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	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)
1	Innovation and Digitisation	Opportunity	Poonawalla Fincorp's business model is built on an AI-first, digital-first strategy, with 24x7 digital lending journeys and 76 AI-led projects (42 Successfully Delivered and 34 Underway) across underwriting, collections, and customer service.	Not Applicable	Positive: Digitisation drives lower cost-to-income ratio, faster disbursements, higher cross-sell ratios, and AUM growth (69.4% YoY in FY2025-26) 5-6x AUM growth over next 5 years FY2024-25.
2	Privacy and Data Security	Risk	Poonawalla Fincorp collects and processes sensitive customer data including Aadhaar, PAN, bank statements, and account aggregator data as part of its loan sanction process. The Digital Personal Data Protection Act, 2023 and the RBI Cybersecurity Framework impose binding obligations on the Company.	A dedicated Cybersecurity and Data Protection framework is implemented in line with RBI guidelines, including multi-factor authentication, end-to-end encryption, regular vulnerability assessments and penetration testing, employee data security training, and a cyber incident response plan reviewed by the Board Risk Management Committee. Digital Personal Data Protection Act, 2023 compliance programme is underway.	Negative: A data breach or non-compliance could result in penalties under the DPDP Act, RBI enforcement action, litigation costs, and customer attrition.
3	Customer Centricity	Opportunity	As an NBFC serving retail borrowers and MSME clients, Poonawalla Fincorp's financial performance is directly linked to the quality of customer experience.	Not Applicable	Positive: High customer satisfaction supports AUM growth, lower customer acquisition cost, and higher cross-sell ratios.

The Risk Management Committee has additional role and responsibility to address the ESG risks which is integrated to the enterprise risk management as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

- PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe.
- PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains.
- PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders.
- PRINCIPLE 5:

Businesses should respect and promote human rights.
- PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment.
- PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development.
- PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner.

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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	It has been the Company's practice to upload all policies on the internal portal for the information and implementation by the internal stakeholders and some of these policies are also available at the following website. (Company Policies, Committee Details and Other Governance Details of PFL (https://poonawallafincorp.com/investor-governance))								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of PFL has approved various policies such as Code of Conduct for Direct Selling Agents (DSAs), Direct Marketing Agents (DMAs), and Debt Recovery Agents (DRAs), Whistle Blower Policy, Supplier Code of Conduct etc. These policies enable participation of value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.									
Principle 1 to 9	PFL is an ISO/IEC 27001:2022 certified organization and operates a formal Information Security Management System (ISMS) in compliance with the requirements of ISO/IEC 27001:2022. This certification enhances trust and confidence in PFL's processes, systems, and services, and demonstrates strong governance, information security and risk management practices.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	For FY 2025-26: 1. Implementation Supplier's Code of Conduct, Human Rights Policy & Health and Safety Policy. 2. Environment restoration through Tree Planting Initiative –more than 5,000 trees in FY 2025-26. This initiative is expected to play a vital role in carbon offsetting, enhancing urban air quality, and reducing heat stress. For FY 2026-27: The Company aims to plant over 5,000+ trees in FY2026-27, reaffirming its commitment to environmental sustainability and community development. This initiative is expected to play a vital role in carbon offsetting, enhancing urban air quality, and reducing heat stress.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	 1. Implemented Supplier's Code of Conduct, Human Rights Policy & Health and Safety Policy. 2. Environment restoration through Tree Planting Initiative –more than 4,000 trees have been planted in FY 2025-26. This initiative creates a lasting environmental impact, generating approximately 350 workdays for local communities. As these trees mature, they are expected to offset over 85,000 kg of CO ₂ annually, contributing to urban sustainability, improving air quality, and fostering a greener future.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

We are proud to present a comprehensive summary of our progress in environmental, social, and governance (ESG) initiatives. Our commitment to transparency and accountability continues to guide our ESG journey, with governance serving as a fundamental element.

On the environmental front, we have taken meaningful steps to reduce our ecological footprint. These includes adopting sustainable waste management practices, promoting responsible consumption of water and energy among our stakeholders and successfully planted more than 4,000 trees in FY 2025–26, creating approximately 350 workdays for local communities. These plantation are expected to offset over 85,000 kg of CO₂, annually, while enhancing urban resilience through improved air quality and reduced heat.

Socially, we remain committed to fostering a diverse, equitable, and inclusive workplace. Our inclusive policies and targeted training programs are designed to ensure fair opportunities and enable all employees to thrive. Customer-centricity remains a key focus. Additionally, our active involvement in corporate social responsibility efforts reflects our dedication to uplifting the communities in which we operate.

Our governance architecture is designed to uphold high standards of transparency, accountability and stakeholder protection. We operate under a well-structured Board comprising an appropriate mix of executive, independent, non-executive and non-independent directors. The Board is supported by Board committees, including the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, among others. Our policies and controls encompass credit policy, related party transactions, fit and proper criteria, whistle-blower mechanisms, information security and data privacy. This risk-first and governance first approach, combined with experienced leadership, fosters a culture of integrity, disciplined risk management, and sustainable growth, while enhancing the resilience and credibility of our business model.

As we look ahead, we remain steadfast in our pursuit of continuous improvement in our ESG performance. We deeply appreciate the unwavering support of our employees, customers, partners, and stakeholders. Together, we are shaping a Sustainable, Predictable and Productive Business.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Arvind Kapil Managing Director & Chief Executive Officer DIN: 10429289								
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes The Company's business responsibility and sustainability performance is reviewed by the Board of Directors. The Corporate Social Responsibility (CSR) Committee of the Board is responsible for decision making on CSR and sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee	Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes (Principle 1,2,3,4,5,6,7,8,9) Committees of the Board	As a practice, all the Board approved policies of the Company are reviewed annually or as per need basis and placed before the Board of Directors. Further, all the policies (excluding board approved policies) are reviewed periodically or on a need basis by Function heads, business heads, senior management personnel. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes The Company is in compliance with the extant regulations, as applicable.	The Company ensures compliance with all applicable statutory requirements. Various board-level committees have been constituted, which meet periodically to monitor compliance objectives and review performance.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No PFL conducts regular internal assessments to identify areas for improvement and refine its processes. Additionally, it leverages external experts for deeper evaluation when needed.
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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)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA								
It is planned to be done in the next financial year (Yes/No)	NA								
Any other reason (please specify)	NA								

The Company works closely with collective trade and industry associations as and when required.

Sr. No	Principle No. and Definition	List of Policies
1	Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable	Code of Business Ethics, Code of conduct and Discipline rules, Code of Practices and Procedures for Fair Disclosure, Code of Internal Procedure and Conduct for Prohibition of Insider Trading, Code of Independent Director, Compliance Policy, KYC and Anti-Money Laundering (AML) Policy, Policy for Determination of Materiality of Events, Policy on Dealing with Related Party Transactions, Breach of Integrity and Whistle Blower/ Vigil Mechanism Policy, Remuneration Policy, Corporate governance policy, Fair Practice Code, Grievance Redressal Policy, Outsourcing Policy, Investor Grievance Policy, Environmental and Social Governance Policy & Governance Framework, Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)/Debt Recovery Agents (DRAs), Supplier Code of Conduct.
2	Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe	Cyber Security Policy, Information Security Policy, Information Technology Management Policy, Risk Management Policy, Policy on process for disposal of E-Waste Items, Business Continuity Policy, Environmental and Social Governance Policy & Governance framework.
3	Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chain	Breach of Integrity and Whistle Blower/Vigil Mechanism Policy, Policy on prevention and Redressal of Sexual Harassment, Rewards and Recognition Policy, Leave Policy, Diversity and Inclusion Policy, Learning and Development Policy, Employee Education Policy, Code of Business Ethics, Talent Acquisition Policy, Human Rights Policy, Health Safety Policy, Supplier Code of Conduct.
4	Principle 4: Businesses should respect the interests of and be responsive towards all its stakeholders	Corporate Social Responsibility Policy, Environmental and Social Governance Policy & Governance framework, Grievance Redressal Policy, Investor Grievance Policy.
5	Principle 5: Businesses should respect and promote human rights	Diversity and Inclusion Policy, Policy on prevention and Redressal of Sexual Harassment, Code of Business Ethics, Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)/Debt Recovery Agents (DRAs), Compensation Policy, Human Rights Policy.
6	Principle 6: Businesses should respect, protect and make efforts to restore the environment	Environmental and Social Governance Policy & Governance framework, Risk Management Policy, Policy on Process for Disposal of E-Waste Items.
7	Principle 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	Environmental and Social Governance Policy & Governance framework, Compliance Policy, Corporate Governance Policy.
8	Principle 8: Businesses should promote inclusive growth and equitable development	Corporate Social Responsibility Policy, Environmental and Social Governance Policy & Governance framework.
9	Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	Interest Rate and Penal/Other Charges Policy, Fair practice code, Information Security Policy, Cyber Security Policy, Information Technology Management, Grievance Redressal Policy, Environmental and Social Governance Policy & Governance framework.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6 Refer weblink: https:// poonawallafincorp. com/ documents/20121/0/ Familiarization- program- FY25-26+%281%29. pdf/da464113- 946c-af95-e0f4- 1e14637b425c	A. Sessions on business and performance, regulatory updates and compliance were presented in the quarterly meetings. B. Sessions were conducted on below mentioned topics by the external consultant. Corporate Governance: 1. Evolving global corporate governance landscape and key challenges 2. Board Committees and Board Culture 3. Code of Conduct, Vigil Mechanism & Conflict of Interest, Fraud and Related Party Transactions. 4. Prevention of Sexual Harassment (POSH) 5. Overview of Prohibition of Insider Trading (PIT) Regulations, 2015 6. Overview of Regulation 30 of SEBI LODR, 2015 7. ESG & Stakeholder Management 8. Data Privacy/Data Leakage Prevention/Cyber security C. #Sessions conducted by Centre for Advanced Financial Research and Learning (“CAFRAL”). The topics covered were: 1. KYC & AML Risk Management: Emerging Regulatory and Compliance Issues 2. Supervisory Observations on KYC & AML Compliance - Use Cases 3. Central KYC Registry & Compliance by REs: Role and Responsibilities 4. Combatting Financial Crime: FIU Perspective 5. KYC & AML Framework: Risks and Strategies Including Few Case 6. Studies of Recent Frauds, Financial Crime, Trade Based Money Laundering (TBML). Impact: The programme delivered several critical insights into regulatory perspectives. The program conducted by CAFRAL provided a comprehensive overview and enhanced the Board of Directors understanding of the KYC/AML framework including various measures and associated risks and compliance.	90%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	10	A. Corporate Governance: 1. Evolving global corporate governance landscape and key challenges 2. Board Committees and Board Culture 3. Code of Conduct, Vigil Mechanism & Conflict of Interest 4. Fraud and Related Party Transactions (RPT) 5. Prevention of Sexual Harassment (POSH) 6. Overview of Prohibition of Insider Trading (PIT) Regulations, 2015 7. ESG & Stakeholder Management 8. Data Privacy/Data Leakage Prevention/Cyber security B. Road to Compliance Courses (Consisting of 9 sessions): 1. KYC 2. AML 3. INFOSEC 4. Data Leakage Prevention 5. POSH 6. Understanding of Prohibition of Insider Trading 7. Data Leakage Prevention 8. Code of Conduct 9. Safety & Well Being Impact: The learning initiatives supported alignment with the organisation's overall strategic objectives while enhancing employee awareness of evolving regulatory requirements. The programs enabled timely adoption of changing compliance expectations and customer-centric imperatives, particularly in areas such as data privacy, information security, and responsible handling of customer data.	100%
Employees other than BoD and KMPs	12,252 (Session count)	During FY 2025–26, the organisation implemented structured learning and development initiatives aimed at strengthening regulatory compliance, functional capability, digital enablement, leadership effectiveness, and employee well-being. Training programmes were delivered through a mix of digital, virtual, and blended learning formats to ensure consistent coverage across employee categories. Key learning interventions included mandatory and awareness programs on Prevention of Sexual Harassment (POSH), Code of Conduct, Insider Trading, Digital Personal Data Protection (DPDP) Act, cybersecurity and information security, risk management, and sustainability awareness. Capability-building initiatives covered Analysing Training Needs Analysis (ATNA), LaunchPAD, Reboot, Microsoft Copilot enablement, digital and data skills, leadership and behavioural competencies, productivity enhancement, workplace wellness, and function-specific training across operations, credit, products, customer service, and support functions. Impact: Functional skilling and upskilling initiatives enabled faster onboarding and readiness of new hires, supporting early productivity and effective role transition. Function-specific training programs contributed to improved operational efficiency, reduced turnaround time (TAT), enhanced customer satisfaction scores, and lower incidence of process lapses and errors, thereby strengthening overall service delivery and compliance outcomes.	99.5%
Workers	Not applicable		

#Sessions were attended by Non-executive Directors including Independent Directors.

During FY 2025–26, presentations were made to the Board of Directors and its Committees at regular intervals on various matters. The Board was periodically apprised, in its capacity as well as through its committees, of developments relating to economic and regulatory changes, among other relevant subjects. Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all newly appointed Directors are required to undergo a structured induction and familiarisation programme. The familiarisation programme, inter alia, includes an overview of the Company's operations and business structure, codes and policies, roles and responsibilities of Directors, duties and liabilities, as well as updates on significant developments and ongoing events of the Company.

The same is available on the website at <https://poonawallafincorp.com/documents/20121/0/Familiarization-program-FY25-26+%281%29.pdf/da464113-946c-af95-e0f4-1e14637b425c>

The Board of Directors and Key Managerial Personnel were apprised of their roles and responsibilities, with particular emphasis on corporate governance. They were also provided updates on developments in information technology, cybersecurity, digitalisation initiatives, evolving regulatory requirements, and customer centricity. The Company places strong emphasis on induction and continuous learning. Induction training was accorded priority for all employees and included coverage of nine core principles focused on governance standards and the Code of Business Ethics. In addition, annual Code of Conduct training was made mandatory for all employees, along with virtual modules on compliances. Employees are required to achieve the prescribed pass percentage in compliance training modules, failing which they must retake the relevant modules. The Company also conducts functional, competency-based, and behavioural training programmes, along with specialised training interventions tailored to the specific requirements of various functions.

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	Principle 1	None	0	None	None
Settlement			N.A.		
Compounding fee			N.A.		
		Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not applicable as there have been no such cases.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

The Company has Code of Business Ethics, the coverage of this code includes aspects related to Conflict of Interest, customer relations, business interest, gifts to an individual or relatives or associates or third parties or political donations. Please find further details at https://poonawallafincorp.com/documents/20121/0/17.+PFL_Code+of+Business+Ethics+Version+No.+6.0+4.pdf/d586355e-6ecb-1eb6-fc01-9fbb9cf316c2.

It is crucial to note that the Company will take appropriate action against any associates whose actions are found to violate the codes of the Company.

The Company also has a defined Code of Conduct & Discipline Rules (COC) to deter wrongdoings and to foster and maintain the standard of business conduct for employees, trust and confidence in the professionalism and the integrity of the employees This COC is applicable to all employees across functions, geographies and grades. The abovementioned COC aims to maintain the standard of business conduct and ethics and serve as guidelines to report fraud, unethical or illegal practice. The Company adopts highest governance standards, and its employees adhere to the robust COC. The employees are also required to comply with relevant legal, regulatory, and internal compliance requirements in letter and spirit. If an employee is found guilty, upon an enquiry, disciplinary action may be taken as per COC.

The Company has also adopted Breach of Integrity and Whistle Blower/Vigil Mechanism Policy, the same is available at <https://poonawallafincorp.com/documents/20121/0/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf/9a6df317-9c89-59d2-b11c-64e10bd753cc>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption.

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directors	No Directors/KMPs/employees were involved in bribery/corruption both, in FY 2025 -26 and FY 2024-25 to the best of our knowledge. Hence, no action was taken by any law enforcement agency.	
KMPs		
Employees		
Workers	Not applicable	

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 Current Financial Year		FY 2024-25 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, since no fines, penalties or actions were imposed by regulatory, law enforcement or judicial authorities on cases related to corruption and conflicts of interest. The Company has established policies, processes and monitoring mechanisms to ensure compliance, which are regularly reviewed and updated. The implementation of these policies is ensured through regular training, communication and awareness-building sessions.

8. Number of days of accounts payables (Accounts payable *365/Cost of goods/services procured) in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Number of days of accounts payable	1.81	2.48

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameters	Metrics	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	As we are a non-banking financial company, this is not applicable.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total sales		
Concentration of Sales	a. Sales to dealers/distributors as % of total sales		
	b. Number of dealers/distributors to whom sales are made		
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors		
Shares of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	00	00
	b. Sales (Sales to related parties/Total Sales)	00	00
	c. Loans and Advances (Loans and Advances to related parties/Total Loans and Advances)	00	00
	d. Investments (Investments in related parties/Total Investments made)	0.001%	0.001%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes.
2	1. Environmental Parameters covering Scope 1 and Scope 2 emissions, Water consumption and management, Waste Management 2. Social Parameters covering employee wellbeing and safety, Gender Diversity, Fairness in Engaging with Customers and Suppliers 3. Governance Parameters covering Openness of Business,	We have covered value chain partners comprising 75% of its purchases and sales (by value) which are individually contributing to 2% or more of its purchases and sales (by value) respectively.

PFL encourages its value chain partners to undertake ESG capacity building session and ensure that value chain partners are aware of the latest norms and regulations. PFL has in place ESG Assessment framework for its value chain partners. The Company has undertaken assessments covering value chain partners individually comprising 2% or more of its purchases and sales by value and limiting it to value chain partners (upstream and downstream) covering 75% of its purchases and sales respectively. As part of this framework, awareness sessions were also organized for its value chain partners by consultants.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, we have implemented processes to avoid/manage conflict of interests involving members of the Board. The details are mentioned below:

- i. Chairmanship of the Board is a non-executive position and separate from that of the Managing Director and Chief Executive Officer. Every Director on the Board is required to make disclosure of his/her interest or concern in other entities (under Section 184 of the Companies Act, 2013 (“Act”) as also

the parties to which such Director is related to (as under Section 2(76) of the Act and other applicable laws). Such disclosure is required to be made as and when a Director attends first Board Meeting after his/her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within thirty days of any change in the disclosure previously given by such director.

- ii. Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and passing of the resolution thereon.
- iii. We have also put in place necessary mechanisms and have formulated a Policy on Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and the provisions of the Act. This Policy provides a framework to ensure proper identification, approval and reporting of Related Party Transactions.
- iv. All transactions with Related Parties of the Company are previously approved by the Audit Committee of the Company. The Audit Committee also grants omnibus approvals for Related Party Transactions of a recurring nature. Related Party Transactions, if not in the ordinary course or not at arm’s length, are placed before the Board based on the Audit Committee’s recommendation for its consideration and approval. If such transactions (which are placed before the Board of Directors) breach the threshold limits prescribed under Section 188 of the Act or if any transaction with a Related Party is material in nature as prescribed under Regulation 23 of the SEBI Listing Regulations, such transactions are also put up before the shareholders for their consideration and approval.
- v. At the Audit Committee, only the Independent Directors who are members of the Audit Committee, consider and approve the transactions with related parties. At the Board, only those Directors who are not parties to the transaction(s) or arrangement(s) in subject or those who are not interested or concerned therein, participate to consider them. The interested Directors neither participate nor do they vote on the resolution of Related Party Transaction. While seeking Shareholders’ approval, no Related Party of the Company, whether party to a particular transaction or not, votes to approve such transaction.
- vi. The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personal of the Company including a Code of Conduct for Independent Directors.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and 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.

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	As we are a non-banking financial company, capital expenditure and Research and development expenses are not directed towards technologies that improve environmental and social impacts.		
Capex	The Company has invested in digital journeys for instant personal loan, digital Business loan. This would enable a straight through processing of these loans. Company has also invested in building the leasing (lease rental discounting) capabilities to launch new leasing business line. In addition, Company has revamped the customer service CRM framework.	The company has invested in a new website and mobile application to offer instant personal loan, education loan, consumer durable loan, EMI Card. Additional Loan servicing journeys including chatbot has also been provided to enhance customer service. Customers can now avail an instant personal loan in just 5 minutes by completing the end-to-end digital process.	-

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
	This will ensure automated workflow and TAT based automated escalation of customer complaints. The company has also implemented a new industry leading visualization solution that offers enhanced insights. The Company's new customer service 'AI Solution enables' allows AI to respond to customer calls thus increasing efficiency while increasing standardization of response and consistency. This constitutes 3.57% for IT capex investments.	The framework on the new website enhances overall customer experience, leverages best in class content management system, enables uptake in website traffic through search engine optimization. Company has invested in various new technologies like Digital Experience Platform, AI based customer engagement and communications, personalization, Digital Collections Platform, etc. The Company has also set up an IT Command Center for 24x7 monitoring of IT Infrastructure, Applications and Digital Services. The company is also implementing Enterprise Data Lake platform, that has helped with data harmonization and identity resolution which will enable the use of multiple AI based algorithm for generating various kinds of reports, MIS, and Dashboards. Use of analytics will enhance customer penetration through digital platforms by providing various insights at data level.	

2.

a.

Does the entity have procedures in place for sustainable sourcing? (Yes/No)

No.

b.

If yes, what percentage of inputs were sourced sustainably?

As a Non-Banking Financial Company (NBFC), the Company does not engage in manufacturing activities and therefore has limited direct consumption of raw materials or inputs. However, the Company ensures that its financial services are delivered in a sustainable and responsible manner, with due consideration to efficient resource use and environmental impact.
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.

As a Non-Banking Financial Company (NBFC), the Company does not manufacture physical products. Its primary offerings are financial services, which are delivered through operational processes that involve limited material consumption and waste generation. The Company's approach under Principle 2 focuses on ensuring that its services are provided in a resource-efficient, safe, and sustainable manner, with particular emphasis on reducing waste arising from service delivery.

Waste Streams Relevant to Service Delivery:

The Company's primary waste streams comprise paper waste and electronic waste (e-waste), both of which arise from administrative, customer servicing, and technology-enabled operations.

Paper Waste: Sustainable Design of Services:

Paper is the main consumable resource used in the delivery of the Company's financial services. To ensure sustainability across the service lifecycle, the Company has embedded digitalization and process optimization as core elements of its service design.

Key measures aligned to Principle 2 include:

a)

Promotion of paperless transactions by accepting customer payments through electronic modes and processing vendor payments digitally

- b)

Implementation of online lead generation, digital customer onboarding, and digital customer transactions, reducing reliance on physical documentation
- c)

Use of SMS and digital communication during loan processing instead of printed correspondence
- d)

Adoption of an e-learning platform for employee training, removing the need for printed training materials
- e)

Discontinuation of printing system-generated reports and preference for digital file processing wherever feasible
- f)

Digital storage of customer and operational documents, ensuring secure, efficient, and paper-less record management

To address unavoidable paper usage, the Company has implemented a paper recycling initiative for old printouts, ensuring responsible handling of residual paper waste generated during service delivery.

Through these measures, the Company ensures that its financial services are designed and delivered with minimal material intensity, directly supporting the intent of Principle 2.

Reduction of Single-Use Materials in Service Environments:

The Company also addresses indirect waste generation that arises within offices and branches where services are delivered to customers and supported by employees. Initiatives undertaken include:

- a)

Encouraging the use of eco-friendly and green cleaning chemicals at corporate offices and branches to reduce health and environmental risks
- b)

Reducing paper cup usage by introducing reusable glasses and cups made from organic materials such as rice husk
- c)

Replacing conventional tissue papers with recycled and recyclable paper rolls to reduce waste generation
- d)

Discontinuing single-use plastic water bottles at regional offices to the maximum extent possible

Additionally, the Company operates from premises that are largely within multi-tenant facilities. Accordingly, the collection and disposal of general office waste are managed through designated waste collection points provided by the respective building management teams or in accordance with local municipal authority guidelines. This ensures that waste generated from operations is handled and disposed of in a compliant and environmentally responsible manner.

These initiatives help ensure that service delivery environments are safe for users and environmentally responsible, consistent with Principle 2 expectations.

Responsible Handling of Scrap and End-of-Life Materials:

During branch closures or relocations, scrap materials generated from service infrastructure are disposed of exclusively through Government-certified green vendors, ensuring responsible treatment and preventing unsafe disposal practices.

E-Waste: Safe and Sustainable Use of Technology:

Technology plays a central role in delivering the Company's financial services. To ensure sustainability and safety across the technology lifecycle:

The Company has established a Policy on the Process for Disposal of E-Waste Items, governing responsible handling and disposal. E-waste is disposed off through authorized third-party vendors, in compliance with applicable regulations. A Device Management Policy enables monitoring, repair, and timely maintenance of electronic devices, extending their useful life and reducing premature disposal.

These practices ensure that the Company's technology-enabled services do not result in unsafe or unsustainable outcomes at the end-of-life stage of electronic assets.

Employee Awareness Supporting Sustainable Services:

Recognizing that employee behavior directly influences service sustainability, the Company promotes awareness through:

- Regular sustainability-focused email communications
- Digital sustainability content displayed across offices
- Awareness workshops and internal engagement initiatives

This ensures consistent adoption of sustainable practices in day-to-day service delivery.

Through digital-first service design, minimization of material usage, responsible waste management, and safe handling of end-of-life assets, the Company ensures that its financial products and services are delivered in a sustainable, resource-efficient, and safe manner.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No).

No. Being a non-banking financial company, extended producer responsibility is not applicable to our activities.

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
NA	NA	NA

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities availed	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	Permanent employees										
Male	5110	5110	100	5110	100	0	0	5110	100	18	0.35
Female	750	750	100	750	100	750	100	0	0	9	1.20
Total	5860	5860	100	5860	100	750	100	5110	100	27	0.46
	Other than Permanent employees										
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

Note: All eligible employees are covered under group insurance policy except employees covered under ESIC.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities availed	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
		Permanent workers									
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c. Spending on measures towards well being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the Company	0.11%	0.21%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Funds	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	NA	100%	NA	NA
Others – please specify	0	NA	0	0	NA	0

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The Company is committed to fostering an inclusive and diverse workplace that upholds the principles of equal opportunity for all individuals, including persons with disabilities. While there are currently no differently abled employees in the Company, the Company ensures that its hiring practices are free from discrimination and open to candidates from all backgrounds.

To support this commitment, the Company has proactively made accessible to most of our office premises to prospective employees with disabilities. Key accessibility features include:

- Barrier-free access through ramps and elevators to facilitate mobility.
- Braille and voice-enabled elevators to assist individuals with visual impairments.
- Dedicated restrooms designed to accommodate persons with disabilities.
- Onsite medical support, including nursing and physician consultation, to ensure employee well-being.
- Creche and medical room facilities to support employees with caregiving responsibilities and health needs.

These measures are part of the Company's broader initiative to create a safe, welcoming, and inclusive environment that eliminates barriers and promotes a sense of belonging for all employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Your Company is committed to fostering, cultivating and promoting diversity and inclusion within the organization and has in place Diversity & Inclusion Policy. We believe that creating an inclusive work environment that enables us to attract, retain and fully engage diverse talents leads to enhanced innovation and creativity. The collective sum of the individual differences, experiences, knowledge, innovation, self-expression, unique capabilities, and talent that our employees invest in their work represents a significant part our culture, brand and organization achievement. This policy has been framed as per the rules mentioned in the Rights of Persons with Disabilities Act, 2016, The Transgender Persons (Protection of Rights) Rules, 2020, and The Transgender Persons (Protection of Rights) Act, 2019. The scope of the policy extends to all permanent, temporary, contractual, and trainee employees of PFL; and all third parties, including consultants, contractors, vendors, and service providers, when acting on behalf of or representing PFL.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	86.79%	NA	NA
Female	100%	100%	NA	NA
Total	100%	88.52%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes

	(If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	The Company enables employees to work without fear of prejudice, gender discrimination and harassment. It maintains a zero-tolerance approach towards any non-compliance of these principles. Prevention of Sexual Harassment Policy, serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Employees may raise grievances/concern through the dedicated email id as mentioned in the policy. Further details can be obtained at https://poonawallafincorp.com/documents/20121/0/POSH-Policy.pdf/0aec60de-7381-d8eb-be20-c5544cb2d1c6 The Company has established a 'Breach of Integrity and Whistle Blower/Vigil Mechanism Policy. Whistleblower Policy which outline the mode of communication for alleged wrongful conduct. Mode of Communication: Employees and other stakeholders can report concerns through the following channels: - Email: whistleblower@poonawallafincorp.com - Written complaint sent to the mentioned postal address in the policy - Communicate to the employee or senior management team who can then forward the same to CHRO & Head AI. All complaints must then be forwarded to Ethics & Disciplinary Committee for review and appropriate action. Further details can be obtained at https://poonawallafincorp.com/documents/20121/0/2.+PFL_Breach+of+Integrity+and+Whistle+Blower+Vigil+Mechanism+Policy_Version+No.7.0+%281%29.pdf/a4086e28-bead-0511-93e5-b630b38a9bce The Human Rights Policy reinforces the Company's zero-tolerance stance on discrimination, harassment, forced or child labour, and unethical treatment, ensuring dignity, fairness, and equal opportunity for all, with concerns reportable to at: hrgovernance@poonawallafincorp.com As part of the Employee Grievance Redressal Guideline, employees are encourage to raise their concerns by writing to the dedicated email ID: redressal@poonawallafincorp.com. This initiative reflects the organization's commitment to transparency and reinforces its focus on actively listening to and addressing employee concerns. Employees can report grievances through Multiple Channels including: - Email - HR Helpdesk - AI & ML enabled MS Teams Chatbot. Additionally, employees may engage with the Business HR team on a monthly basis to focus on the closure of open queries and resolution of concerns and challenges. The Company strives to ensure speedy resolution of grievances through these channels and ensuring confidentiality throughout the process.
Other than Permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2024-25 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	5110	5029	98.41	4782	93.58	3183	3079	96.73	2835	89.07
Female	750	741	98.80	697	92.93	411	397	96.59	371	90.27
Total	5860	5770	98.46	5479	93.49	3594	3476	96.72	3206	89.20
Workers										
Male										
Female										
Total										

The Company re-skilled its employees and provided career growth opportunities, micro-learning, on-boarding cum integration, succession planning, talent management and access to real time dashboards.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees						
Male	4053	4053	100	3183	3183	100
Female	516	516	100	411	411	100
Total	4569	4569	100	3594	3594	100
Workers						
Male						
Female						
Total						

Note: 100% eligible employees as per the Company's policy were covered under performance and career development review for FY2025-26.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, what is the coverage of such a system?

Yes. Employees are the key to the growth of any organization. Therefore, their health and wellbeing is also equally important.

- All the offices are provided with firefighting equipments and kept in working condition.
- Fire alarm systems are installed at the qualified branches as per norms.
- Mandatory e-learning module was given for employees' awareness.
- At Corporate and Head Offices:
 - Fire detection and firefighting systems are in place integrated with the building management system.
 - An emergency response team (ERT) has been formed to guide the employees in panic situations if any.
 - Fire evacuation drills are being conducted periodically. Training is also provided by an external consultant/party on how to deal with such scenarios.
 - Public announcement (PA) system is in place for any emergency situations.

Further, at Head Office Creche and medical room facilities are also available and Onsite Nursing and Physician consultation for employees.

The Company ensures that the workplace is designed with due consideration for the health and safety of its employees. A Health & Safety Policy is in place, and online e-learning modules on Safety & Well Being covering fire safety, emergency awareness, evacuation, and rescue have been implemented for further raising the awareness threshold of the environment in this regard.

Supply of treated drinking water is preferred & facilitated at all Branches/offices to promote adherence to minimum safety & quality standards.

Standard luminance level is consistently followed across Branches/offices to promote ergonomical comfortable working environment to employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Considering the nature of operations of the Company as a Non-Banking Financial Company (NBFC), the exposure to industrial or high-risk occupational hazards is inherently limited. However, the Company has implemented appropriate processes to identify and mitigate workplace-related risks primarily associated with office environments. These include periodic workplace inspections and facility audits conducted by the Administration team to identify potential safety risks such as electrical issues, housekeeping concerns, fire safety readiness. Compliance with safety norms, including fire safety systems, emergency preparedness already implemented across offices. These measures collectively ensure that workplace risks relevant to an office-based setup are adequately identified, assessed, and mitigated.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, employees can report workplace-related hazards and concerns. Employees can raise service requests or report any physical or infrastructure-related hazards through the in-house tool. Employees may also directly escalate concerns to respective Facility or BHR teams for immediate resolution. The Company encourages prompt reporting of any unsafe conditions and ensures timely corrective actions through defined escalation and response mechanisms.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, all employees of the Company are covered under the Company’s health insurance policy. Employees and their families are covered for hospitalization through Mediclaim cover and annual health check-up is also facilitated for employees. Further, first aid boxes and ambulances are also available for employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Employees	0	0
	Workers	NA	NA
No. of fatalities	Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Some key initiatives taken by the Company to prioritize employee wellness includes:

- Onsite Nursing and Physician consultation for employees:
Our onsite doctor provides timely medical assistance, offering essential first-aid support and professional consultations for common health concerns, including headaches, acidity, minor ailments, cough, cold, and seasonal illnesses. This service ensures employees receive immediate care, promoting overall well-being and a healthier, more productive workplace.
- Mental health aside from this one awareness session:
Our Group Medical Coverage (GMC) policy includes enhanced benefits for emotional and mental wellness, with a carved-out amount allocated for employees and their family members to access mental health support services. This reinforces our commitment to holistic well-being, ensuring access to professional care for stress management, counseling, and other mental health needs, fostering a healthier workplace.
- Parental Health Check up camp:
For employees who have enrolled their parents, parental health checkups are provided across India through convenient home visit services.
- Conducted Free health checkup, Dental, Skin and Hair and eye checkup camps:
Regular Health Check-up Camps were conducted across multiple branches, providing BMI screenings, basic blood tests, dental, skin & hair, and eye checkups to promote employee well-being. Additionally, many employees benefited from subsidized health check-ups, doctor consultations, and exclusive medicine offers through DoC Online.
- In the domain of health and wellness of employees:
Regular Health Awareness Programmes, including special sessions on women’s physical health, encourage proactive healthcare and awareness. Paid holiday for employees to encourage full body check up on annual basis.

- Various safety initiatives are implemented across locations. All the offices are provided with fire extinguishers and kept in working condition.

Further, at Corporate Office and Head Office-

- Fire detection and firefighting system is in place integrated with the building management system.
- An emergency response team (ERT) has been formed to guide the employees in the panic situations if any.
- Fire evacuation drills are being conducted periodically. Training is also provided by external consultant/ party on how to deal with such scenarios.
- Public announcement (PA) system is in place for any emergency situations.
- Fire alarm systems are installed at the qualified branches as per norms

The Company ensures that the workplace is designed with due consideration for the health and safety of its employees. A Health & Safety Policy is in place, and online e-learning modules on Safety & Well Being covering fire safety, emergency awareness, evacuation, and rescue have been implemented for further raising the awareness threshold of the environment in this regard.

13. Number of complaints on the following made by employees and workers

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	We have not undertaken separate assessment by third party.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Not applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. The Company provides comprehensive insurance coverage to all permanent employees, which includes:

- Group Term Life Insurance

Under the Group Term Life insurance policy, the Company provides life coverage to all employees. In the unfortunate event of an employee’s demise, the nominee receives financial support through the life insurance benefit. Additionally, the Company extends future service gratuity, which is a lump-sum amount calculated based on the employee’s projected service tenure up to retirement.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We communicate our expectations to our business partners and vendors through written service agreements which outline the need to be in compliance with all relevant regulations.

3. Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Employees	0	0	0	0
Workers	Not applicable	Not applicable	Not applicable	Not applicable

Note- Response to E11 is 0 and therefore this is not applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes. The Company recognizes the importance of supporting employees through career transitions, including retirement and separation. While formal transition assistance programmes may vary, the Company is committed to facilitating continued employability and smooth career endings through the following initiatives:

- Exit Process and Counseling: Employees undergoing separation are supported through structured exit processes, which may include counseling and feedback sessions.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	We have not undertaken any on-site assessment of these parameters for the value chain partners. However, two virtual awareness sessions were conducted for the value chain partners covering core as well as non-core indicators of BRSR.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The various functional teams identify the stakeholder groups relevant to the work and discussions are conducted at senior management levels to include the groups. For example, across the value chain, some of the key stakeholders identified are customers, communities, NGO partners, suppliers and third parties etc.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	- Regulatory filings - Newspaper advertisements/publications for various regulatory matters. - Meetings - Letters - E-mails - Website	- Monthly - Quarterly - Half Yearly - Yearly - Need based	- Compliance with filing and other regulatory compliance. - Keep various regulatory authorities informed and up to date about the various developments going on in the organization to fulfill the compliance requirement.
NGOs and local community	No	- Meetings - Proposal and request for new CSR initiatives.	- Need based	- Community development need, focus area viz., education, health care, skill development, women empowerment etc.
Employees	No	- Induction programmes (Prarambh) - Rewards and recognition programmes - People engagement initiatives - Townhalls - E-mails (Internal Communications), Newsletter, Website, Notice Board - WhatsApp	- New joiner Day1 till 60 days of joining - Monthly - Quarterly - Half yearly - Need based	- It helps us in educating all our employees on various policies and procedures. - Keep our employees up to date on various initiatives of the organization. - Training and career development of employee. - Townhall helps building trust, prioritize transparency, integrity & promote open communication.
Customers	Not applicable	- Call center - Customer grievance cell - Customer helpline - Customer satisfaction survey - Branch office - Smartphone - E-mail - Website - Social media channels	- Ongoing - Need based	- Needs of customer - Customer experience and service quality - New products and policies, any revision in existing policies/guidelines for products, queries & services.
Suppliers	No	- E-mail - Phone calls - Virtual meetings - One on one meetings	- Ongoing - Need based	- Contract, commercial and terms and condition.
Investors	No	- Website - Emails - Letters - Media - Meetings/Investor Calls - Analyst Presentations	- Annual and Quarterly - Need based	- Financial Result - Providing relevant information, progress of the Company, business updates, various initiatives, and roadmap.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	- Website - E-mails - Letters - Newspaper publication - Shareholder meetings	- Annual and Quarterly - Need based	- Financial Result - Business Updates - Shareholders return and dividend - Updation of KYC - Unpaid/unclaimed dividend
Media	No	- Press releases/ Newspaper - Pamphlets - Social media channels - Website - Press Meets/media briefings - Media Events - Leadership/ Management Interviews - Industry stories.	- Need based	- Key developments and strategic initiatives of the Company including business expansion, financial results, leadership interviews, products and services updates, social media communication regarding products offerings during occasions/festivals, participation in industry events, media engagements and sponsorships activities.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company engages proactively with stakeholders through structured internal and external platforms to ensure transparency, responsiveness, and value creation. Key updates on organizational developments, business updates, financial performance, policies, and initiatives are communicated through press releases, press meets, investors presentation, leadership interactions, internal newsletters, and the Company's website and social media platforms.

The Company actively engages with stakeholders to enhance performance and create value for the ecosystem and its own operations. The methods of consultation vary depending on the stakeholder group.

For shareholders and investors, the Company utilizes earnings calls, conferences, quarterly meetings, annual general meetings and grievance channels. While sustainability discussions have emerged recently, the focus remains on strategy and performance.

Customer consultations take place through surveys and social media, covering topics such as customer service, complaints, new products, community involvement, and more.

Employee engagement is a key priority and is supported through multiple channels, including internal communications, town halls, grievance redressal mechanisms, performance feedback processes, survey, and awareness programmes. The Company has strengthened its employee connect framework to facilitate interaction between branch employees, HR teams, and functional heads. Monthly consultations are conducted by the Business HR team to address employee queries and concerns. Additionally, an AI-based third-party platform has been introduced to further enhance employee connectivity. Stakeholder feedback received through these engagement mechanisms is reviewed by management and, where appropriate, actions are taken to improve policies, processes, and practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The Company engages with communities and beneficiaries primarily through focused group discussions, and feedback received on CSR initiatives is reviewed and implemented, where appropriate, to enhance the effectiveness of programs. An ESG and CSR Policy has been instituted, outlining the Company's commitments across identified focus areas, including social, environmental, and governance priorities.

Employee engagement through regular discussions with HR teams and functional leads has contributed to the introduction of initiatives such as employee well-being programmes and increased awareness of environmental conservation practices, including energy and water saving measures. The Company has also instituted an Equal Opportunity Policy along with other employee-related policies and practices to promote a fair, inclusive, and equitable workplace.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company follows a responsible approach to media engagement to ensure accurate and transparent dissemination of information. Any queries received from journalists or media outlets are promptly reviewed and addressed to avoid the spread of misleading or incorrect information. The Company also proactively engages with the media to keep stakeholders informed about key developments and initiatives.

The Company recognizes that unbanked and underbanked populations in urban India are vulnerable to socio-economic exclusion and exploitation. Through its Corporate Social Responsibility (CSR) initiatives, the Company aims to improve the quality of life of underprivileged individuals by addressing the needs of marginalized stakeholder groups and contributing to holistic societal development. All CSR projects are aligned with this objective. Further details on CSR initiatives are provided in the Annual CSR Report.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (A)	No. of employees/ workers covered (B)	% (B/A)
Employees						
Permanent	5860	5673	96.80	3594	3594	100
Other than permanent			Not applicable			
Total employees	5860	5673	96.80	3594	3594	100
Workers						
Permanent						
Other than permanent			Not applicable			
Total workers						

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2025-26					FY 2024-25				
	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	5860	NA	NA	5860	100	3594	NA	NA	3594	100
Male	5110	NA	NA	5110	100	3183	NA	NA	3183	100
Female	750	NA	NA	750	100	411	NA	NA	411	100
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (Rs Cr)	Number	Median remuneration/salary/wages of respective category (Rs Cr)
Board of Directors (BoD)	8	0.42	2	0.50
#Key Managerial Personnel	4	3.98	1	0.75
Employees other than BoD and KMP	5106	0.08	749	0.06
Workers	NA	NA	NA	NA

#The Company has 5 KMPs out of which 3 are Directors.
KMP includes: MD & CEO, ED, CFO and CS

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	9.29%	9.43%

Note: Reported for FY 2025 - 26 as per definition of 'wages' in the BRSR Core Reporting Standard published by SEBI.

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.
The Code of Conduct for employees covers all ethical and responsible business. Ethics and Disciplinary Committee (EDC) oversees every aspect of regulatory and employee disciplinary matters. The EDC also oversees, among other things, any allegations of human rights violations within the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to uphold and protect human rights in all aspects of its business operations. We strive to stay informed about new laws, regulations, and international standards related to human rights, as well as best practices and stakeholder expectations. We aim to regularly assess and update our policies and practices in response to these developments. The Company strictly opposes and prohibits any form of human rights violation entirely, including discrimination, harassment, unsafe working conditions, forced labour, child labour.

Organizations establish structured internal systems to effectively identify, address, and resolve human rights-related grievances in a fair, transparent, and timely manner. The key mechanisms typically include:

- Employee Grievance Redressal Guidelines (EGRG):**
A formal policy defines human rights violations such as discrimination, harassment, forced labour, and unsafe working conditions. It outlines reporting channels, investigation procedures, timelines, and corrective actions.
- Multiple Reporting Channels:**
Accessible and confidential channels include open-door access to managers/HR, dedicated email IDs (hrgovernance@poonawallafincorp.com and redressal@poonawallafincorp.com), and a formal whistleblower mechanism, enabling employees and stakeholders to report concerns without fear.
- Confidentiality and Non-Retaliation:**
The organization ensures strict confidentiality of complainants and enforces a zero-tolerance approach toward retaliation, with disciplinary action for any victimization.
- Grievance Handling Committees:**
Designated committees such as the Ethics and Disciplinary Committee and Internal Committee for POSH cases. Members are trained to handle sensitive matters impartially and diligently.
- Timely Resolution and Corrective Action:**
Defined turnaround times ensure prompt resolution. Actions may include disciplinary measures, policy revisions, and remedial support to affected individuals, with a focus on prevention.
- Awareness and Training:**
Regular training programmes are conducted to educate employees on their rights, reporting mechanisms, and expected ethical conduct.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established robust mechanisms to safeguard complainants in cases of discrimination and harassment, ensuring they do not face any adverse consequences. These include confidential reporting channels, a strict non-retaliation policy, impartial investigations, access to support services, and ongoing monitoring to prevent indirect retaliation. Additionally, regular training and awareness programs reinforce a respectful and inclusive workplace culture, empowering employees to report concerns without fear.

In compliance with regulatory requirements, a Vigil Mechanism Framework is in place, not only ensuring a structured process for reporting issues without fear of retaliation but also protecting employees from unfair prejudicial employment practices.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Vendor contracts and service agreements include specific clauses requiring the Service Provider to comply with all applicable labour laws in relation to their employees. These provisions reflect the Company's commitment to upholding human rights and ethical labor practices across its value chain.

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Being a non-banking financial company, we undertake proactive measures to safeguard human rights; however, we have not undertaken a dedicated human rights assessment.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

We respect the human rights of all our stakeholders and ensure adherence to applicable laws. There have not been any significant complaints or grievances regarding human rights that merit the addition or modification of business procedures.

2. Details of the scope and coverage of any Human rights due diligence conducted.

We have not conducted any Human rights due diligence.

3. Is the premises/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company welcomes differently abled visitors and makes no discrimination against them in their reception. To ensure the differently abled visitors also feel safe and comfortable, the Corporate Office & Head office is made accessible by providing ramps for wheelchairs.

Additionally, separate washroom, Braille enabled, and voice assisted elevators are also provided for easy access. The Company may also have differently abled employees in the near future and therefore the infrastructure has been designed accordingly.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	We have not undertaken any on-site assessment of these parameters for the value chain partners. However, two virtual awareness sessions were conducted for the value chain partners covering core as well as non-core indicators of BRSR.
Discrimination at workplace	
Child labour	
Forced/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Not applicable

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From Renewable Sources		
Total electricity consumption (A)	391.284GJ	182.56GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from Renewable Sources(A+B+C)	391.284GJ	182.56GJ
From Non-Renewable Sources		
Total electricity consumption (D)	11174.06 GJ*	12607.77GJ
Total fuel consumption (E)	1053.09GJ	371.23 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from Non-Renewable Sources(D+E+F)	12227.15 GJ	12979.00 GJ
Total energy consumed(A+B+C+D+E+F)	12618.44GJ**	13161.56 GJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from Operations)	1.85GJ/INR Cr	3.116 GJ/INR Cr
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from Operations adjusted for PPP)	3.78 GJ/million USD	6.44 GJ/million USD*
Energy intensity in terms of physical output	1.836 GJ/FTE	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	3.6620

*The Company is using IRECs, hence we are subtracting this electricity consumption from the Total Non-renewable electricity consumption

**The difference between energy consumption is on account of energy saving initiatives taken by the Company during the reporting period

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has carried an independent assurance (reasonable assurance) by BDO India Services Private Ltd.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

This is not applicable to the Company, as we do not have sites or facilities identified as designated consumers.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water Withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	3824.79	9013.33
(iii) Third party water (Municipal water supplies)	6874.31	288131.79
(iv) Seawater/desalinated water	-	-
(v) Others	42775.0425*	203.18
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	53474	297348.30
Total volume of water consumption (in kilolitres)	10695	297348.30
Water intensity per rupee of turnover (Total Water consumption/Revenue from Operations)	1.57 KL/INR Cr	70.414 KL/INR Cr
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumption/Revenue from Operations adjusted for PPP)	3.20 KL/million USD	145.4 KL/million USD
Water intensity in terms of physical output	1.55 KL/FTE	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	82.73 KL/FTE

*The Company has corrected the water calculation methodology in this reporting year compared to last year. Water withdrawal has been estimated based on the occupancy and usage assumptions prescribed under the National Building Code of India, 2016 and Central Ground Water Authority (CGWA) guidelines.

*The estimated water withdrawal has been considered as water procured from other sources

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has carried an independent assessment (reasonable assurance) by BDO India Services Private Ltd.

4. Provide the following details related to water discharged

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(iv) Sent to third parties	-	-
- No treatment	42779.31*	-
- With treatment-please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
Total Water discharged (in kilolitres)	42779.31	-

*The Company is disclosing water discharge data from FY 2025-26 onwards. Comparative data for the previous year is not available, as the indicator was not reported in earlier periods. Water discharged has been estimated as 80% of the total water withdrawn, as per the Central Pollution Control Board (CPCB). The estimated discharged water has been reported under “water sent to third parties”.

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency (Y/N) If yes , name of the external agency.

Yes, the Company has carried an independent assurance (limited assurance) by BDO India Services Private Ltd

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

As the Company doesn't own any significant effluent generation assets, hence zero liquid discharge requirement is not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Nox	-	Not applicable	Not applicable
Sox	-		
Particulate matter (PM)	-		
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	-		
Hazardous air pollutants (HAP)	-		
Others – Ozone Depleting Substances (HCFC - 22 or R-22)	-		

Note: The Company being an NBFC, its operations do not result in significant air emissions. The Company adopts a pragmatic approach to understanding and assessing its emission profile in line with its operational context.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company has carried an independent assurance (limited assurance) by BDO India Services Private Ltd

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO ₂	267.91	347.10
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO ₂	2280.94 (Location based)*	2545.49
		2203.78 (Market based)	
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover(Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations)	tCO ₂ /₹	0.3753	0.68
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG Emissions/Revenue from Operations adjusted for PPP)	tCO ₂ / million USD	0.763	1.415
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO ₂ /FTE	0.37	0.80
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Note: For the purpose of GHG Intensity calculations we are using Scope 2 Location based calculations.

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has carried an independent assurance (reasonable assurance) by BDO India Services Private Ltd.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

- Yes
- The Company has taken the following initiatives to reduce the greenhouse gas emissions:
- Awareness generation among the employees to conserve and responsibly use electricity. Reduction of usage of energy (through installation of LED bulbs, energy efficient electrical equipment and retrofitting LED lights in branch offices.)
 - E-waste management and handling, distribution of sapling and paper conservation (e.g. both side printing, re-use of papers, PIN based controlled printing) and paper waste recycling.
 - The Head office is in a Platinum certified green building. We have embraced “Go Green” initiative by procuring green energy from MSEB at Corporate office. The adoption of green sourced energy at the corporate office reflects the Company’s commitment towards alternative and sustainable energy sources.
 - The Company has managed all the electrical equipment in a manner so that they help to conserve energy. The Company has undertaken multiple initiatives to drive energy efficiency across its operations. Inverter air conditioners have been installed across 257 new operational branches (approx. 950 units with a total tonnage of 1281 TR). This transition from conventional ACs has resulted in an estimated savings of ~5.05 lakh units of electricity, translating to cost savings and a reduction of ~354 tonnes of CO₂ emissions in a year.
 - The Company has initiated installation of LED lights in new and upcoming branches. Installation of LED lights across new branches (4,158 units of 15W, 20W and 36W) has led to cost savings and a reduction of ~267.92 tonnes of CO₂ emissions in a year.

- Energy consumption would reduce as a result of these initiatives, either directly or indirectly. Energy conservation would significantly contribute to the mitigation of global warming in our nation due to the predominant use of fossil fuels for energy production, which results in greenhouse gas emissions and climate change.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.00	0.00
E-waste (B)	0.179	1.760
Bio-medical waste (C)	0.654	0.559
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)	39.941	22.95
Total (A + B + C + D + E + F + G + H)	40.774 MT	25.269 MT
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0060 MT/INR Cr	0.005984 MT/INR Cr
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.0122 MT/ million USD	0.01236 MT/ million USD
Waste intensity in terms of physical output	0.00593 MT/FTE	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	0.007030885
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)*		
Category of waste		
(i) Recycled	37.682	21.41
(ii) Re-used	0	1.54
(iii) Other recovery operations	0	0
Total	37.682	22.95
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.654	0.559
(ii) Landfilling	0	0
(iii) Other disposal operations	2.349*	0
Total	3.003	0.559

*In the absence of end-use recycling certificates, waste generation has been conservatively recorded as equivalent to waste disposal.

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Company has carried an independent assurance (reasonable assurance) by BDO India Services Private Ltd.

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.

The Company, being an NBFC, providing services, no hazardous and toxic chemicals are used or produced throughout the operations.

Paper waste and electronic waste are the predominant waste streams generated from the Company's operations. The Company has adopted multiple management practices to gradually reduce waste generation and to build organizational awareness for efficient waste handling.

Paper Waste Management:

Given the nature of its financial services, paper is the primary resource consumed. The Company has significantly reduced paper usage by optimizing processes through digital technologies and process excellence initiatives, thereby supporting sustainable service delivery.

Key measures include:

- a) Promotion of paperless transactions, with customer payments accepted through ACH, Auto Debit, and digital/online modes
- b) Vendor payments processed exclusively through NEFT/RTGS, reducing paper-based documentation
- c) Online lead generation systems and digital recording of customer transactions
- d) E-learning platforms for employee training and knowledge sharing
- e) Customer communication through SMS, WhatsApp, email, and inbound calls across the loan lifecycle
- f) Discontinuation of printing system-generated reports, with digital upload facilities introduced to reduce paper, ink usage, and transportation-related emissions
- g) Increased focus on paperless loan file processing and avoidance of physical printouts
- h) Digital storage of documents to minimize physical records
- i) Installed hand dryers replacing tissue papers at all its Retail branches

To address residual paper usage, the Company has implemented a paper recycling initiative, including the reuse of old and obsolete printouts, and actively monitors paper consumption. Customer-facing documents such as statements, welcome letters, statements of account, foreclosure letters, and no-objection certificates are primarily issued electronically.

These initiatives reflect the Company's conscious efforts to reduce paper consumption and contribute to environmental conservation.

Reduction of Single-Use Plastics:

As part of its waste reduction efforts, the Company has discontinued the use of single-use plastic water bottles at regional offices to the maximum extent possible.

E-Waste Management:

The Company has established mechanisms to ensure the responsible management and disposal of electronic waste (e-waste) generated from its operations. A formal policy and defined process for the disposal of e-waste items is in place, and all e-waste is disposed off through authorized third-party vendors, in compliance with applicable regulations.

Further, the Company's Device Management Policy enables systematic monitoring, maintenance, and repair of electronic equipment, thereby extending asset life and reducing premature disposal of electronic devices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
-			

N.A. The Company does not have any operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
-					

N.A. The Company operates out of mostly leased premises, and the nature of business does not warrant Environment Impact Assessment.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-				

The Company is in compliance with the current set of guidelines established by the government.

Leadership Indicators

1 a) Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: Not applicable
- (ii) Nature of operations: Not applicable
- (iii) Water withdrawal, consumption and discharge in the following format: As a non-banking financial company, we are not a water intensifying Company. The Company has its water uses limited to drinking water and domestic usages.

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, The Company has carried an independent assessment (reasonable assurance) by BDO India Services Private Ltd.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	Business Travel-	1,262.97	Business Travel -	8 6 9 . 3 1
		Employee Commute-	11,113.6	Employee Commute -	2,631.56
		Business Loan-	5,17,123.98	Business Loan -	2,46,644.02
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/ INR	0.00000779		0.00000592	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e	-		-	

Note: For the current reporting year FY 2025-26, data for 104 Branches, Corporate Office Worli and Head Office Pune is being considered

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the Company has carried an independent assurance (limited assurance) by BDO India Services Private Ltd

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	The Company has undertaken multiple initiatives to drive energy efficiency across its operations. Inverter air conditioners have been installed across 257 new operational branches (~950 units with a total tonnage of 1281 TR).	Inverter air conditioners have been installed across 257 operational branches	This transition from conventional ACs has resulted in an estimated savings of ~5.05 lakh units of electricity, translating to cost savings and a reduction of ~354 tonnes of CO ₂ emissions in a year.
2.	Installation of LED bulbs, energy efficient electrical equipment and also retrofitting LED lights in branch offices	Additionally, installation of LED lights across branches (4,158 units of 15W, 20W and 36W)	This has reduced electricity consumption of the Company and has led to cost savings and a reduction of ~267.92 tonnes of CO ₂ emissions in a year.
3.	Green Power	Procuring green energy from Maharashtra State Electricity Board (MSEB) at Corporate office.	Reduction in use of carbon intensity, conventional power reducing carbon footprint. The adoption of green sourced energy at the corporate office reflects the Company's commitment towards alternative and sustainable energy sources.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The entity has implemented a robust and comprehensive Business Continuity and Disaster Recovery (BCP-DR) framework, which has been approved by the Board of Directors and is reviewed on an annual basis to ensure continued relevance, effectiveness, and regulatory alignment. The framework is designed to safeguard critical business operations, information assets, and stakeholder interests in the event of operational disruptions or disaster scenarios. In accordance with the defined BCP-DR plan, periodic disaster recovery testing is conducted, with half-yearly testing for critical applications and annual testing for non-critical applications, as prescribed by applicable regulatory requirements and internal risk assessments. Test outcomes are documented and reviewed, and remedial actions are undertaken where required to strengthen recovery capabilities.

In addition, the entity is an ISO/IEC 27001:2022 certified organization, demonstrating its commitment to internationally recognized standards for information security management. This certification further reinforces the effectiveness of the entity's risk management, information security, and business resilience practices, contributing to operational stability and stakeholder confidence.

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.

No direct or material adverse environmental impact identified.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

PFL encourages its value chain partners to undertake ESG capacity building session and ensure that value chain partners are aware of the latest norms and regulations. PFL has in place ESG Assessment framework for its value chain partners. The Company has undertaken virtual assessment covering 75% of its value chain partners (upstream and downstream). As part of this framework, awareness sessions were also organized for its value chain partners by consultants.

8. How many Green Credits have been generated or procured:

S. No.	Categories	FY 2025-26	FY 2024-25
a.	By the listed entity	-	-
b.	By the top ten value chain partners		
	1. Value chain partners by Purchases	-	-
	2. Value chain partners by Sales	-	-

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations - 5
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	The Associated Chambers of Commerce & Industry of India	National
2	Confederation of Indian Industry (CII)	National
3	Finance Industry Development Council (FIDC)	National
4	The Federation of Indian Chambers of Commerce and Industry (FICCI)	National
5	Indian Banking Association (IBA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	-	

There have been no action or issues related to anti-competitive conduct and no adverse orders from any authority during the FY 2025-26.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Others – please specify)	Web Link, if available
	The Company has taken annual membership of FICCI, FIDC, IBA CII and ASSOCHAM but has not been associated in formulating any such policies, strategies, etc. at any level. PFL as NBFC may have given its comments or recommendations on certain draft policies, circulars, etc. as and when asked by RBI from all NBFCs wherever applicable.				

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Currently, the same is not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
The company has not undertaken project requires Rehabilitation and Resettlement (R&R)						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company is dedicated to making a positive impact through its Corporate Social Responsibility (CSR) initiatives. These initiatives are focused on improving the lives of underprivileged individuals and fostering their overall well-being. To ensure effective implementation, the Company's CSR team actively engages with communities, an important stakeholder group. This engagement serves as a platform for open communication, allowing the team to understand the concerns and gather feedback from the community. This feedback helps in shaping and refining the projects that address social and environmental issues, ensuring their relevance and effectiveness in creating a meaningful impact.

Concerns or questions regarding the CSR programmes are required to be addressed at csr@poonawallafincorp.com

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Directly sourced from MSMEs/small producers	28.87%	30.80%
Sourced directly from within the district and neighboring districts	99.16%	99.76%

5. Job Creation in small towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contractual basis) in following locations, as % of total wages cost.

Location	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	1.50%	-
Semi-Urban	23.58%	6.36%
Urban	24.10%	16.09%
Metropolitan	50.82%	77.55%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: N.A.

Sr. No	State	Aspirational District	Amount spent (Rs.)
-	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)

No. Being a non-banking financial company, we do not require substantial input material for our business.

(b) From which marginalized/vulnerable groups do you procure?

SME/MSME

(c) What percentage of total procurement (by value) does it constitute?

28.87%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
-	-	-	-

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.

Our customer service and grievance redressal framework is built on a Board-approved policy architecture that aligns with applicable laws and regulations, including the RBI's guidelines on customer service for regulated entities, fair practices, outsourcing of financial services and information security. The framework is designed to provide clear service standards, transparent communication, time-bound resolution of customer issues, and continuous improvement through measurement, governance and root-cause remediation.

Our customer service model is omni-channel, supported by relationship teams, branches and a centralized service organization. Customers can access us via branches, a toll-free call center, email, web and mobile portals, chat interfaces and assisted channels. We employ a governance structure that includes a Board-level Customer Service Committee and a management level forum to oversee service quality, complaints, product suitability and customer conduct risk. These bodies review periodic dashboards on complaint volumes, categories, turnaround times, ageing and first-contact resolution, as well as thematic analyses, root-cause trends and action plans. Significant issues, systemic risks and regulatory interactions are reported to the Board with remediation tracking.

Efficient Processes: By leveraging data analytics and technology-driven solutions, the Company streamlines complaint resolution processes. It focuses on resolving complaints within agreed Service Level Agreements (SLAs), classifying them based on case type and subtype. This ensures timely and targeted actions for effective resolution.

Continuous Improvement: The Company conducts regular forums to identify and address key process gaps. It proactively monitors call quality, conducts repeat call analysis, and empowers frontline teams to efficiently handle customer requirements. Through rigorous training programs, the Company ensures high service quality standards and promotes a proactive approach to identify and resolve potential escalations or grievances.

Enhancing Customer Experience: The Company is committed to delivering a superior customer experience by implementing the following measures:

Digital Engagement: Leveraging digital channels, the Company proactively connects with customers throughout their lifecycle journey. Approximately 75% of customer queries and requests are serviced digitally, allowing for swift and smooth resolution of concerns. This digital connect helps in timely communication and enhances overall customer experience.

Technology underpins our service delivery through a unified customer relationship management platform integrated with our loan management systems. This platform enables end-to-end ticket lifecycle management, knowledge bases for standardized responses, AI-assisted triage and prioritization, sentiment analysis and automated notifications.

Robust Internal Systems: The Company continuously enhances its internal systems through system upgrades, process re-engineering to ensure a competitive edge and provides seamless Experience to customers. The implementation of a Fair Practice Code facilitates setting of proper guardrails to ensure fair lending practices giving proper and enhanced visibility to end customers from loan initiation till closure, further building consumer trust on the brand.

2. Turnover of products and/services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	0	0	0	0
Advertising	0	0	0	0	0	0
Cyber-security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	0	0	0	0	0

The complaint categories are predefined internally and we currently do not have specific categories for advertising, Restrictive Trade Practices and Unfair Trade Practices. The total number of all customer complaints is mentioned under Section A of the BRSR disclosure.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

Not applicable. Considering financial sector

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the entity has a comprehensive framework and formal policies in place to manage cybersecurity and data privacy risks. The framework includes a Board-approved Information Security/Cyber Security Policy and a Data Privacy Policy, which are reviewed periodically to ensure continued effectiveness, and compliance with applicable legal and regulatory requirements. The framework is designed to identify, assess, and mitigate cybersecurity and data privacy risks, safeguard personal and sensitive information, and strengthen the overall security posture of the organization.

Oversight of cybersecurity and data privacy matters is provided by senior management, with additional governance oversight from the Information Security Committee, thereby ensuring a robust and structured governance mechanism. The framework is operationalized through periodic risk assessments, incident response and escalation mechanisms, third-party risk management processes, and regular employee awareness and training programs.

Further, PFL is an ISO/IEC 27001:2022 certified organization and operates a formal Information Security Management System (ISMS) in compliance with the requirements of ISO/IEC 27001:2022. This certification enhances trust and confidence in PFL's processes, systems, and services, and demonstrates strong governance, information security, and risk management practices. The entity's data privacy commitments and practices are disclosed in its Privacy Policy, available at: <https://poonawallafincorp.com/privacy-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.

With respect to cybersecurity and data privacy, the entity did not face any material customer data breaches. Continuous improvements have been undertaken to strengthen cybersecurity posture, including periodic risk assessments, enhancement of access controls, incident response preparedness, third-party risk remediation, and employee awareness programmes to mitigate potential cyber and data privacy risks.

Further, no penalties or adverse actions were imposed by regulatory authorities with respect to the safety or delivery of products/services.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 0
- b. Percentage of data breaches involving personally identifiable information of customers: 0
- c. Impact if any of the data breaches: Not applicable

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

PFL is an omnipresent financial organization allows both current and prospects to interact, do business, and receive services from online and offline mode. In the online mode the products and services are available through the website (www.poonawallafincorp.com) and in offline world through our branch network. Apart from these various other channel which are available for finding information about our products and services are our Toll Free contact center, chatbot services on the website, WhatsApp and e-mail channel.

These platforms can be used to apply for loan products, request for services or raise queries. The digital channels make the services accessible 24*7 and provides instant response to the customers.

The products and services of the Company can be accessed [here](#).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The important terms and conditions provides extensive information and ensures transparency on lending products. Further the [customer education webpage](#) on the Company website also provides information related to special mention accounts (SMA)/non performing asset (NPA) as prescribed by the regulations. The [Blogs](#) page and Fraud Awareness page on the website is a major step taken by the Company to educate the customers about the meaning and definitions of various financial terms in simple language. Such blogs are published under the various category of products and services that are offered by the Company so that it also becomes relatable to the customers.

3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Customers are notified via SMS in advance of planned maintenance tasks. Customers are notified via text message in the event of an unanticipated disruption, and all the offices are also informed via an internal mechanism that directs customers who approach the offices.

4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not applicable

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

The Net Promoter Scores (NPS) serves as a reliable measure of customer loyalty. This survey is conducted monthly by the Company.

Customer feedback is obtained at four crucial touchpoints: sales, onboarding, service, and exit. The results of the NPS survey guide efforts to enhance the customer experience through process reengineering. Additionally, customer demand is assessed to develop personalized offers for clients with a strong payment history, using algorithm-based approaches.



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Independent Assurance Statement

Poonawalla Fincorp Limited (PFL) 201 and 202, 2nd floor, AP81, Koregaon Park Annex, Mundhwa, Pune – 411036, Maharashtra, India

Independent Assurance Statement on Business Responsibility and Sustainability Report (BRSR) disclosures for the financial year 2025-26.

Introduction and objective of engagement

Poonawalla Fincorp Limited (the 'Company') has developed its Business Responsibility and Sustainability Report FY 25-26 ('BRSR') including the BRSR Core Indicators¹, based on the BRSR reporting guidelines prescribed by SEBI for listed entities. The reporting criteria have been derived from the Principles of National Guidelines on Responsible Business Conduct, 2018 (NGRBC), and Greenhouse Gas (GHG) Protocol - A Corporate Accounting and Reporting Standard.

BDO India Services Private Limited (BDO India) was engaged by the Company to provide independent assurance on select non-financial sustainability disclosures in the BRSR (the 'Report') for the period 1st April 2025 to 31st March 2026.

The Company's responsibilities

The content of the Report and its presentation are the sole responsibilities of the management of the Company. The Company's Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO India's responsibility

BDO India's responsibility, as agreed with the management of the Company, is to provide assurance on the BRSR Indicators (Core & other than Core non-financial indicators) as described in the 'Scope & boundary of assurance' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement", issued by the International Auditing and Standards Board.

Scope, boundary and assurance criteria

The reporting scope and boundary cover the Company's standalone operations in India.

We applied the 'Reasonable' Assurance criteria for non-financial BRSR Core Indicators and 'Limited' Assurance criteria for other than Core non-financial indicators of the BRSR, pertaining to the Company's disclosure for the period 1st April 2025 through 31st March 2026.

Assurance methodology

Our assurance process entailed conducting procedures to gather evidence regarding the reliability of the disclosures covered in the assurance scope. The physical & virtual verification on sample basis was carried out at the following locations:

- Corporate Office, Mumbai;
- Andheri – Silver Utopia, Mumbai
- Head Office, Pune
- Delhi Branch, New Delhi

We used our professional judgement as Assurance Provider for selection of sample of the Company's locations/facilities and non-financial information for the verifications.

We conducted a review and verification of data collection, collation, and calculation methodologies, and a general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review process included:

- Evaluation of appropriateness of the quantification methods used to arrive at the non-financial/sustainability information of the BRSR Core & Non-core Indicators;
- Review of consistency of data/information within the Report as well as between the Report and source;
- Engagement through discussions with personnel at both corporate and plant/facility levels who are accountable for the data and information presented in the Report;

- Execution of an audit trail of claims and data streams, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of data collection and management procedures, and related internal controls.

Limitations & exclusions

There are inherent limitations in assurance engagement, including, for example, the use of judgment and selective testing of data. Accordingly, there are possibilities that material misstatements in the sustainability information of the Report may remain undetected.

The assurance scope specifically excludes:

- Data and information outside the defined reporting period (1st April 2025 to 31st March 2026);
- Review of the 'economic and/or financial performance indicators' included in the Report or on which reporting is based; we have been informed by the Company that these are derived from the Company's audited financial records;
- The Company's statements and claims related to any topics other than those listed in the 'Scope, boundary and assurance criteria';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our observations

Based on our review of the Report, we observed that the disclosures of the Company, covered under the 'Scope, boundary and assurance criteria', are fairly reliable. During our assurance process, we observed a few instances of discrepancies related to collation and compilation of data, which were subsequently corrected. The Company may consider adopting standardized protocols for data management related to environment and social indicators and reporting of data across all the units.

Our above observations, however, do not affect our conclusion regarding the Report

Our conclusions

Based on the scope of our review, we concluded that:

- Reasonable Assurance of non-financial information under BRSR Core indicators in the Report: The disclosures fulfil the principles of relevance, completeness, reliability, neutrality, and understandability as per 'reasonable' assurance criteria of the applied Assurance Standard;
- Limited Assurance of non-financial information other than BRSR Core in the Report: Nothing has come to our attention that causes us not to believe that the disclosures are presented fairly, in all material respects, as per the 'limited' assurance criteria of the applied Assurance Standard.

Our assurance team and independence

BDO India Services Private Limited is a professional services firm providing services in Advisory, Assurance, Tax, and Business Advisory Services, to both domestic and international organizations across industry sectors. Our non-financial assurance practitioners for this engagement are drawn from a dedicated Sustainability and ESG Team in the organization. This team is comprised of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems, and processes across sectors and geographies. As an assurance provider, BDO India is required to comply with the independence requirements set out in the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India Services Private Limited

Indra Guha
Partner- Sustainability & ESG
Business Advisory Services Gurugram, Haryana
Date: June 30, 2026

¹SEBI vide Circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023

INDEPENDENT AUDITOR’S REPORT

To the Members of

POONAWALLA FINCORP LIMITED

Report on the Audit of the Standalone Financial Statements

OPINION

We have jointly audited the accompanying standalone financial statements of **Poonawalla Fincorp Limited (“the Company”)**, which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on the separate financial statements of PFL Employee Welfare Trust (‘the Welfare Trust’), the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (‘Ind AS’) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Key audit matters
Allowance on Expected credit losses (ECL) on loan assets Indian Accounting Standard 109 - Financial Instruments ('Ind AS 109') requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events. As at 31 March 2026, the Company has reported gross financial assets (loans) aggregating to ₹ 56,790.39 crores against which provision for expected credit loss of ₹ 838.90 crores has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109'). The Company has written off (net of recoveries) ₹ 974.94 crores during the current year.

BASIS FOR OPINION

We have jointly conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and on consideration of audit report of other auditor referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2026. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

How our audit addressed the key audit matter
Our audit procedures in respect of this matter included the following, but not limited to: - Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company. - Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculations, validation of data and monitoring of impairment loss recognised based on historical and external data. - Tested the modelling assumptions and inputs which are based on industry experience (new products) as collated by external credit bureau in line with the Company's ECL policy. While for remaining loan portfolio, since modelling assumptions and parameters are based on historical data, assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.

Key audit matters	How our audit addressed the key audit matter
The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: - Segmentation of loan book in buckets based on common risk characteristics; - Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3); - factoring in future macro-economic and industry specific estimates and forecasts; - past experience and forecast data on customer behaviour on repayments; - varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. The Expected Credit Loss ('ECL') is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.	- Verified the completeness of loans included in the ECL calculations as of 31 March 2026. - Selected samples and verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. - Selected samples of exposure and verified the appropriateness of determining EAD, PD and LGD. Further, also checked the appropriateness of information used in the estimation of PD and LGD for the different stages depending on the nature of the portfolio. - Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS and the basis for classification of various exposures into various stages. For a sample of exposures, also tested the appropriateness of the Company's categorization across various stages; - Obtained the management's rational for writing off the loans during the current year and tested for appropriate management approvals for the same. - Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 49 "Financial risk management" disclosed in the accompanying standalone financial statements in accordance with the applicable Ind AS and related Reserve Bank of India ('RBI') circulars.

The management has calculated the PD and LGD as follows:

- For new products launched from time to time and where the Company does not have sufficient historical data to estimate PD, the Company has relied on the external benchmarking report obtained in the previous period from leading credit bureau and accordingly PD rates have been considered based on industry data sourced from the aforesaid credit bureau.
- For the remaining portfolio, the Company continues to use their existing internally developed modelling techniques using historical observable data and inputs to estimate PD and LGD.

Refer Note 2 of material accounting policies, Note 7 for the details of provision and Note 49 (ii) for credit risk disclosures.

Considering the significance of the above matter to the standalone financial statements, significant level of estimates and judgements involved in determination of ECL and write offs, this matter required our significant attention. Accordingly, we have determined Provision for Expected Credit Losses (ECL) on Loans as Key Audit Matter.

Information Technology (“IT”) Systems and Controls for accounting and financial reporting process:

The Company is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment.

Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of IT systems across varied different phases of business, the testing with respect to general computer controls of the IT systems used in financial reporting was identified to be a key audit matter.

Our audit procedures in respect of this matter included the following, but not limited to:

- Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls to determine the accuracy of the information produced by the Company's IT systems.
- Obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment, including an understanding of the process, mapping of applications and understanding financial risks posed by people, process and technology.

INDEPENDENT AUDITOR'S REPORT

Key audit matters	How our audit addressed the key audit matter
The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Further, the Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses several systems for its overall financial reporting. In addition to it, large transaction volumes and the increasing challenges to protect the integrity of the Company's systems and data, we have identified 'IT systems and automated controls' as key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	• Tested IT General Controls particularly, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization; • Performed procedures for a selected group of key controls over financial and reporting system to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Tested key automated and manual business cycle controls including testing of alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the standalone financial statements. • Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS/BOARD OF TRUSTEES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors and the Board of Trustees are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors of the Company and the Board of Trustees of the Welfare Trust are responsible for assessing the ability of the Company and the Welfare Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors/Board of Trustees either intends to liquidate the Company/the Welfare Trust or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company and the Board of Trustees of the Welfare Trust are also responsible for overseeing the financial reporting process of the Company and the Welfare Trust.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

OTHER MATTER:

We did not audit the financial statements of the Welfare Trust included in the standalone financial statements of the Company whose financial statements reflects total assets of ₹ 1.71 crores as at 31 March 2026, total revenue of ₹ Nil, total net loss after tax of ₹ Nil, and net cashflows of ₹ (3.05) crores respectively for the year ended on that date, as considered in the standalone financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management. These financial statements have been prepared

in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021. The Company's management has converted these financial statements to accounting principles under Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015 as applicable to the Company. We have audited these conversion adjustments made by the Company's management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosure included in respect of the Welfare Trust, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Welfare Trust, is solely based on the report of the other auditor and conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 the aforesaid standalone financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g);

INDEPENDENT AUDITOR'S REPORT

- (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 of preparation of the standalone financial statements;

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g);

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 47 to the standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 47 to the standalone financial statements.
- iii. There has been no delay in transferring amounts, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026.

iv. The Management has represented that:

a. To the best of our knowledge and belief, as disclosed in the note 54 (f) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. To the best of our knowledge and belief, as disclosed in the note 54 (g) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account (managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention except for one accounting software wherein the audit trail logs have been preserved effective 26 June 2024. Refer Note 54 (j) for audit trail disclosure in the standalone financial statements.
3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576QSAYJZ3066

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568BLRSET2443

Place: Mumbai
Date: 05 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Welfare Trust to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of the Company, of which we are independent auditors. For the Welfare Trust included in the standalone financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31 March 2026 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576QSAYJZ3066

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568BLRSET2443

Place: Mumbai
Date: 05 May 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements in the Independent Auditors' Report

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, plant and equipment, investment property and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment, investment property and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the standalone financial statements, are held in the name of the Company, except for the following:

Sr. No.	Description of Property	Gross carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
1	Investment Property	0.09	Gouri Shankar Rajgarhia and Om Prakash Rajgarhia	No	Since July 2004	Disputed

Refer note 12 to the standalone financial statements.

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from Banks and financial institutions, on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns/statements filed with such Banks/financial institutions are in agreement with the books of accounts of the Company. Refer note 54 (b) to the standalone financial statements.
- iii. (a) The Company's principal business is to give loans and is a registered Non-Banking Finance Company ('NBFC'). Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company, wherever applicable.
- (c) The Company, being a Non-Banking Financial Company, is registered under provisions of the Reserve Bank of India Bank, 1934 and rules made thereunder. In pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Norms and generally accepted business practices by the lending institutions, repayment schedules are stipulated basis the nature of the loan products. In respect of loans and advances in the nature of given where repayment or receipts are irregular, given the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amounts, dates for repayment or receipt and the extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause) - Refer Note 49 to the standalone financial statements.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days, on the loans and advances in the nature of loans, are as follows:

No. of Cases	Principal amount overdue (₹ in crores)	Interest overdue (₹ in crores)	Total overdue (₹ in crores)	Remarks (if any)
47,790	164.73	55.95	220.67	The Company has taken reasonable steps as per the policies and procedures of the Company for recovery of such principal and interest amounts overdue.

- (e) The Company's principal business is to give loans and is a registered NBFC, accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.
- (f) According to the information and explanations provided to us, the Company has not granted any loans and/or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 ("the Act") either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made during the year. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security, wherever applicable.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records examined by us, dues relating to goods and services tax, income tax, value added tax and service tax which have not been deposited as on 31 March 2026 on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ in crores	Amount Paid ₹ in crores	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.25	0.25	2016-17	Commissioner of Income Tax (Appeals)
		0.89	0.89	2019-20	Income Tax Appellate Tribunal
		0.16	0.21	2018-19	Income Tax Appellate Tribunal
Finance Act, 1994	Service Tax	10.22	4.04	2002-03 to 2006-07	High Court, Kolkata
		1.85	-	2010-11 to 2013-14	High Court, Kolkata
Haryana VAT Act	VAT	4.36	-	2013-14	Punjab & Haryana High Court
Madhya Pradesh Value Added Tax Act, 2002	VAT	1.34	-	2008-2009 to 2009-2010	Madhya Pradesh High Court, Jabalpur
KGST Act	GST	0.12	-	2022-23	Commissioner (Appeals)
WBGST Act	GST	0.61	0.10	2017-18	High Court, Kolkata
		0.98	0.05	2017-18	Commissioner (Appeals)
		0.01	0.00	2017-18	1 st Appellate Authority

There are no dues relating to provident fund, employees' state insurance, duty of customs, duty of excise, cess and other statutory dues which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 21 (e) to the standalone financial statements.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture. The Company does not have any subsidiary.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. The Company does not have any subsidiary.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED FOR THE YEAR ENDED 31 MARCH 2026

- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and the requirements of Section 42 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised. The Company has not made any private placement of shares or convertible debentures (fully, partially or optionally convertible).
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) as Non-Banking Financial Institution.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2025) does not have any Core Investment Company as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 46 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act as disclosed in note 40 to the standalone financial statements.
- (b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576QSAYJZ3066

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568BLRSET2443

Place: Mumbai
Date: 05 May 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Poonawalla Fincorp Limited on the Standalone Financial Statements for the year ended 31 March 2026

Report on the Internal Financial Controls with reference to standalone financial statements 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 Poonawalla Fincorp Limited (“the Company”) as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026 based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’).

MANAGEMENT’S AND BOARD OF DIRECTOR’S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company’s Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes

in accordance with generally accepted accounting principles. A company’s internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576QSAYJZ3066

Place: Mumbai
Date: 05 May 2026

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568BLRSET2443

Place: Mumbai
Date: 05 May 2026

BALANCE SHEET

as at 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Financial assets			
Cash and cash equivalents	3	286.00	24.65
Bank balances other than cash and cash equivalents	4	7.68	7.64
Derivative financial instruments	5	340.26	2.82
Receivables	6		
(i) Trade receivables		38.48	18.39
(ii) Other receivables		-	0.32
Loans	7	55,951.49	32,694.96
Investments	8	2,490.46	1,256.35
Other financial assets	9	336.44	182.19
		59,450.81	34,187.32
2 Non-financial assets			
Current tax assets (net)	10	133.38	141.51
Deferred tax assets (net)	11	72.70	205.48
Investment property	12	0.07	0.07
Property, plant and equipment	13	97.43	55.01
Intangible assets under development	14	7.01	10.43
Other intangible assets	15	26.07	16.41
Right of use assets	16	296.72	172.31
Other non-financial assets	17	136.67	105.42
		770.05	706.64
3 Assets held for sale	18	0.02	0.02
Total Assets		60,220.88	34,893.98
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	5	-	1.66
Payables	19		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		0.58	1.69
- total outstanding dues of creditors other than micro enterprises and small enterprises		4.30	2.24
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.32
Debt securities	20	14,790.18	1,663.99
Borrowings (other than debt securities)	21	32,933.13	23,978.97
Subordinated liabilities	22	374.99	237.59
Lease liabilities	23	337.50	200.69
Other financial liabilities	24	1,416.07	627.49
		49,856.75	26,714.64
2 Non-financial liabilities			
Current tax liabilities (net)	25	0.16	0.24
Provisions	26	20.07	12.67
Other non-financial liabilities	27	46.34	42.45
		66.57	55.36
EQUITY			
Equity share capital	28	161.59	154.58
Other equity	29	10,135.97	7,969.40
		10,297.56	8,123.98
Total liabilities and equity		60,220.88	34,893.98
Summary of material accounting policies	2		
Notes 1 to 57 forms an integral part of these standalone financial statements			

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For **M S K A & Associates LLP**
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

Vikram Dhanania
Partner
Membership No: 060568

Place: Mumbai
Date: 05 May 2026

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/
W100057

Sandeep D. Welling
Partner
Membership No: 044576

Place: Mumbai
Date: 05 May 2026

Sunil Samdani
Executive Director
(DIN: 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918

Place: Mumbai
Date: 05 May 2026

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations			
Interest income	30	6,140.81	3,874.50
Rental income	31	8.51	16.86
Fees and commission income	32	419.75	192.26
Net gain on fair value changes	33	4.28	-
Net gain on derecognition of financial instruments	34a	216.83	106.14
Total revenue from operations		6,790.18	4,189.76
Other income	35	5.47	33.08
Total income		6,795.65	4,222.84
Expenses			
Finance costs	36	2,766.67	1,515.09
Net loss on fair value changes	33	-	13.72
Net loss on derecognition of financial instruments	34b	105.79	94.41
Impairment on financial instruments	37	1,104.13	1,458.17
Employee benefits expenses	38	1,017.54	636.22
Depreciation and amortisation expense	39	94.14	65.10
Other expenses	40	983.77	575.53
Total expenses		6,072.04	4,358.24
Profit/(loss) before tax		723.61	(135.40)
Tax expense	11		
Current tax		57.34	-
Tax expense for earlier years		(0.01)	0.26
Deferred tax		124.47	(37.32)
Total tax expense		181.80	(37.06)
Profit/(loss) for the year		541.81	(98.34)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefit plans		(2.04)	(1.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.51	0.49
		(1.53)	(1.47)
B. Items that will be reclassified to profit or loss			
(i) Financial instruments through other comprehensive income		(0.07)	0.10
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments in cash flow hedges		35.12	(16.95)
(iii) Income tax relating to items that will be reclassified to profit or loss		(8.82)	4.24
		26.23	(12.61)
Other comprehensive income for the year (A + B)		24.70	(14.08)
Total comprehensive income for the year		566.51	(112.42)
Earnings per equity share (Face value of ₹ 2 each)	43		
Basic (₹)		6.84	(1.27)
Diluted (₹)		6.82	(1.27)
Summary of material accounting policies	2		
Notes 1 to 57 form an integral part of these standalone financial statements			

This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For **M S K A & Associates LLP**
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

Vikram Dhanania
Partner
Membership No: 060568

Place: Mumbai
Date: 05 May 2026

For **Kirtane & Pandit LLP**
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Firm Registration No:105215W/
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Place: Mumbai
Date: 05 May 2026

Sunil Samdani
Executive Director
(DIN: 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918

Place: Mumbai
Date: 05 May 2026

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

As at 31 March 2026

Balance as at 01 April 2025	Changes in equity share capital during the year	Balance as at 31 March 2026*
154.58	7.01	161.59

As at 31 March 2025

Balance as at 01 April 2024	Changes in equity share capital during the year	Balance as at 31 March 2025*
154.11	0.47	154.58

Net of adjustment of shares held by the PFL Employee Welfare Trust (PFL EWT) refer note no. 28.

B. OTHER EQUITY

As at 31 March 2026

Particulars	Reserves and Surplus						Other comprehensive income		Total
	Capital reserve	Securities premium	Statutory reserves	Capital redemption reserve	Share option outstanding reserve	Treasury shares	Trust reserve	Retained earnings	
Balance as at 01 April 2025	4.80	5,538.72	926.50	14.22	131.21	(177.01)	(78.13)	1,621.74	7,969.40
Profit for the year	-	-	-	-	-	-	-	541.81	541.81
Other comprehensive income for the year*	-	-	-	-	-	-	-	(1.53)	24.70
Total comprehensive income for the year	-	-	-	-	-	-	-	540.28	566.51
Transfer to/(from) retained earnings	-	-	108.37	-	-	-	-	(108.37)	-
Share based payment to employees	-	62.81	-	-	48.09	-	-	-	110.90
Share issue expense	-	(1.01)	-	-	-	-	-	-	(1.01)
Share premium on preferential allotment	-	1,493.36	-	-	-	-	-	-	1,493.36
Premium on issue of non convertible debentures	-	1.64	-	-	-	-	-	-	1.64
Loss of PFL EWT for the year	-	-	-	-	-	-	(4.88)	-	(4.88)
Fair value gain on PFL EWT shares	-	-	-	-	-	(11.72)	-	-	(11.72)
Sale of shares by PFL EWT during the year	-	-	-	-	-	11.77	-	-	11.77
Balance as at 31 March 2026	4.80	7,095.52	1,034.87	14.22	179.30	(176.96)	(83.01)	2,053.65	10,135.97

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

B. OTHER EQUITY (Contd.)

As at 31 March 2025

Particulars	Reserves and Surplus						Other comprehensive income		Total
	Capital reserve	Securities premium	Statutory reserves	Capital redemption reserve	Share option outstanding reserve	Treasury shares	Trust reserve	Retained earnings	
Balance as at 01 April 2024	4.80	5,418.53	926.50	14.22	63.53	(186.05)	(0.75)	1,721.55	7,962.29
Loss for the year	-	-	-	-	-	-	-	(98.34)	(98.34)
Other comprehensive income for the year*	-	-	-	-	-	-	-	(1.47)	(14.08)
Total comprehensive income for the year	-	-	-	-	-	-	-	(99.81)	(112.42)
Share based payment to employees	-	120.27	-	-	67.68	-	-	-	187.95
Discount on issue of non convertible debentures	-	(0.08)	-	-	-	-	-	-	(0.08)
Loss of PFL EWT for the year	-	-	-	-	-	-	(77.38)	-	(77.38)
Fair value loss on PFL EWT shares	-	-	-	-	-	62.06	-	-	62.06
Purchase of shares by PFL EWT during the year	-	-	-	-	-	(53.02)	-	-	(53.02)
Balance as at 31 March 2025	4.80	5,538.72	926.50	14.22	131.21	(177.01)	(78.13)	1,621.74	7,969.40

Refer note 29 for the nature and purpose of each reserves

*Amount of other comprehensive income transferred to retained earnings pertains to remeasurement of defined plans

Notes 1 to 57 form an integral part of these standalone financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For **M S K A & Associates LLP**
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sunil Samdani
Executive Director
(DIN: 10301175)

Arvind Kapil
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(DIN: 10429289)

Vikram Dhanania
Partner
Membership No: 060568

Sandeep D. Welling
Partner
Membership No: 044576

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026



STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit/(loss) for the year	723.61	(135.40)
Adjustments for:		
Depreciation and amortisation expenses	94.14	65.10
Impairment on financial instruments	1,104.13	1,458.17
Net loss on fair value changes	-	13.72
Net (gain) on derecognition of lease	(0.55)	(0.28)
Net (gain)/loss on derecognition of property, plant and equipment	1.45	(6.18)
Net (gain) on derecognition of financial instruments	(216.83)	(136.10)
Net loss on derecognition of financial instruments	105.79	94.41
Expense on employee stock option scheme	69.90	108.90
Interest on lease liabilities	25.91	16.51
Operating cash flow before working capital changes	1,907.55	1,478.85
Movement in working capital:		
Adjustments for (increase)/decrease in assets:		
Bank balances other than cash and cash equivalents	(0.04)	5.72
Receivables	(13.14)	9.95
Loans	(24,504.79)	(12,178.80)
Other financial assets	134.76	189.39
Other non financial assets	(11.62)	(75.97)
Adjustments for increase/(decrease) in liabilities:		
Payables	0.63	0.88
Other financial liabilities	739.05	2.08
Provisions	7.40	2.18
Other non financial liabilities	3.89	(33.86)
Net cash (used in) operating activities before taxes	(21,736.31)	(10,599.58)
Income taxes paid (net of refunds)	(49.28)	30.15
Net cash (used in) operating activities (A)	(21,785.59)	(10,569.43)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(94.39)	(28.22)
Proceeds from sale of property, plant and equipment	5.66	15.34
Purchase of other intangible assets and intangible assets under development	(12.63)	(15.10)
Sale/(Investment) by PFL Employee Welfare Trust (treasury shares)	11.82	(53.02)
Net cash outflow from PFL Employee Welfare Trust activities	(16.60)	(15.32)
Purchase of Investments (net)	(1,234.18)	(385.59)
Net cash (used in) investing activities (B)	(1,340.32)	(481.91)
C. Cash flow from financing activities		
Proceeds from issue of debt securities and subordinated liabilities	13,831.64	959.92
Repayment of debt securities and subordinated liabilities	(562.00)	(522.68)
Proceeds from borrowings - other than debt securities	16,006.40	15,077.40
Repayment of borrowings - other than debt securities	(3,861.36)	(8,781.20)
Proceeds/(repayment) of loans repayable on demand (including commercial papers) (net)	(3,490.19)	4,052.27

STATEMENT OF CASH FLOWS

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
Interest on lease liabilities	(25.91)	(16.51)
Principal payment of lease liabilities	(51.63)	(27.91)
Proceeds from issue of equity shares including securities premium	1,540.31	79.52
Net cash generated from financing activities (C)	23,387.26	10,820.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	261.35	(230.53)
Cash and cash equivalents at the beginning of the year	24.65	255.18
Cash and cash equivalents at the end of the year	286.00	24.65

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 on 'Statement of Cash Flows'.

Refer Note 50 for change in liabilities arising from financing activities.

Notes 1 to 57 form an integral part of these standalone financial statements

This is the Statement of Cash Flows referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For **M S K A & Associates LLP**
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

For **Kirtane & Pandit LLP**
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Firm Registration No:105215W/
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Membership No: 060568

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Membership No: 044576

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026

NOTE 1: COMPANY OVERVIEW

Background

Poonawalla Fincorp Limited ('the Company'), having its registered office in Pune, India is a publicly held Non-Banking Finance Company ('NBFC') engaged in providing finance through its pan India branch network.

The Company is registered as a non-deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Effective 01 October 2022, the Company has been categorized as NBFC-ML under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated 28 November 2025.

NOTE 2: MATERIAL ACCOUNTING POLICY INFORMATION AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a) Statement of compliance and basis of preparation

The standalone financial statements for the year ended 31 March, 2026 have been prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs) in accordance with guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/applicable.

The standalone financial statements are prepared and presented in the format prescribed in the Division III of Schedule III of the Act.

A summary of the material accounting policy information and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) as specified under Section 133 of the Act including applicable Ind AS and accounting principles generally accepted in India. The Company consistently applies the following accounting policies to all periods presented in these standalone financial statements, unless otherwise stated.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern. The Management is satisfied that the company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources

These standalone financial statements have been approved by the Company's Board of Directors and authorized for issue on 05 May, 2026.

b) Functional and Presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been denominated in crores and rounded off to the nearest two decimal, except when otherwise indicated. Amounts less than ₹ 50,000/- are presented as ₹ 0.00 crores in the standalone financial statements.

c) Historical cost convention

The standalone financial statements have been prepared on a historical cost basis, except for the following material items:

- Certain financial assets at Fair value through other comprehensive income (FVTOCI).
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (asset)/liability - fair value of plan assets less present value of defined benefit obligation

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

d) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both, financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e) Significant areas of estimation uncertainty, critical judgements and assumptions in applying accounting policies

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the standalone financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the standalone financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Key sources of estimation of uncertainty at the date of standalone financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- **Note 49** - impairment of financial instruments: determining inputs into the Expected Credit Loss (ECL) model, including incorporation of forward-looking information and assumptions used in estimating recoverable cash flows

- **Note 48** - determination of the fair value of financial instruments with significant unobservable inputs
- **Note 41** - measurement of defined benefit obligations: key actuarial assumptions
- **Note 11** - recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used

Judgements:

Information about judgements made in applying policies that have the most significant effects on the amount recognized in the standalone financial statements is included in the following note:

Classification of financial assets:

Assessment of the business model within which the assets are held for sale, held for sale and maturity, and held for maturity.

f) Revenue recognition

- Interest income from financial assets (assets on finance) is recognized on accrual basis using Effective Interest Rate ('EIR') method. EIR is applied on future principal of amortized cost of assets on finance. Interest income on stage 3 assets is recognized on net basis, i.e., on non-credit impaired portion.
- The EIR is the rate that discounts the estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.
- The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.
- The 'Amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any expected credit loss allowance.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

- V) Income from direct assignment (sale) transactions represents the present value of excess interest spread receivables on de-recognized assets computed by discounting net cash flows from such assigned pools on the date of transactions (net off servicing liability initially recognised)
- VI) Penal and other charges are treated to accrue on realization, due to uncertainty of realization and is accounted for accordingly.
- VII) For revenue recognition from leasing transactions of the Company, refer Note 42 on Leases.
- VIII) Income from collection and support services is recognized over time as the services are rendered as per the terms of the contract.
- IX) Fair value changes from financial instrument measured at FVTPL are recognized in revenue from operations basis their fair valuation and provision.
- X) Dividend is recognized when the right to receive the dividend is established.
- XI) The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations.

Other income

All other items of income are accounted for on accrual basis.

g) Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts,

perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest expense on lease liabilities is computed by applying the notional borrowing rate and has been included under finance costs. It also includes discounting charges paid for securitization transactions entered under 'pass-through' arrangement.

h) Financial instruments

I) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognized immediately in the statement of profit and loss. Trade Receivables are measured at transaction price. Trade receivables and debt securities issued are initially recognized when they are originated.

II) Classifications

Financial assets

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- Amortized cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The frequency, volume and timing of sales of financial asset in prior periods, the reason for such sales and expectations about future sales activity are important determining factors of the business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Financial instruments at Amortized Cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Re-classification from Amortized Cost to FVOCI

If there are multiple sale transaction of portfolios exceeding the prescribed threshold except as allowed under Ind AS 109 i.e. for stress case scenarios, and the management estimates that the Company may continue to sell down the loan

assets for the purpose of meeting other business objectives then such part of the loan assets (if specifically identified) shall be re-classified to FVOCI from Amortized Cost category.

Re-classification from FVOCI to Amortized Cost

If considerable time period has elapsed since the past sale transaction and the management estimates that there is a very limited probability of selling down the portfolio in future, other than stressed portfolio or other exceptions as allowed under Ind AS 109, then such portfolio can be re-classified from FVOCI to Amortized Cost category.

Equity Investments

All equity investments other than equity investments in subsidiaries/associates/joint ventures are measured at FVTPL. These include all equity investments in scope of Ind AS 109. The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or fair value through profit or loss, as appropriate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

III) Subsequent measurement

Amortized cost

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss. The transaction costs and fees are also recorded related to these instruments in the statement of profit and loss.

FVTOCI

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the statement of profit and loss. On derecognition, cumulative gain or loss (if any) previously recognized in OCI is reclassified from the equity to 'other income' in the statement of profit and loss.

IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to

recognize the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognize the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed) is transferred to statement of profit or loss.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Securitization and Assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognized and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognized in the statement of profit and loss.

Upon derecognition of financial assets in a securitization transaction, where the Company retains the servicing obligation and the servicing fee is not expected to provide adequate compensation, a servicing liability is recognized at fair value in accordance with Ind AS 109.

Subsequent to initial recognition, the servicing liability is measured in accordance with the requirements applicable to financial liabilities under Ind AS 109, and changes in estimates are recognised in profit or loss.

Equity

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

VI) Impairment of Financial Assets

The Company recognizes loss allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- **Stage 1:** financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- **Stage 2:** financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.
- **Stage 3:** financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

The Company's policy for determining significant increase in credit risk is set out in Note 50.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Management overlay is used to estimate the ECL allowance in circumstances where management believes that the existing inputs, assumptions and model techniques do not factor the related exception scenario or captures all the risk factors relevant to the Company's lending portfolios.

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are credited to impairment loss on actual realization from customer.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

For more details, refer Note 49.

Presentation of ECL allowance for financial asset:

ECL allowance for financial asset measured at Amortized cost or FVOCI is shown as a deduction from the gross carrying amount of the assets.

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

i) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

j) Leases**i) The Company as lessor**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern.

ii) The Company as lessee**i) Right of use assets and Lease liability**

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

Recognition and initial measurement

At the lease commencement date, the Company recognizes a Right-of-Use ("RoU") asset and equivalent amount of lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

Lease liability and right of use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset

Summary of material accounting policies and other explanatory information

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and lease liability, the payments in relation to these leases are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right of use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right of use asset and lease liability is recognized in statement of profit and loss.

k) Employee Benefits**I) Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. This includes performance linked incentives. Short term employee obligations are measured at undiscounted basis.

II) Post-employment benefits**i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts.

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Contributions paid/payable to the recognized provident fund, which is a defined contribution scheme, are expensed as the related service is rendered by an employee and recognized as personnel expenses in statement of profit and loss.

ii) Defined benefit plans**Gratuity**

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is

discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/income is recognized in the statement of profit and loss. Re-measurements of net defined benefit liability/(asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses;
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset)

III) Other long term employee benefits**Compensated absences**

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. The expected cost of accumulating compensated absences is



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determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expenses and actuarial gain/loss on account of the above benefit plans are recognized in the statement of profit and loss on the basis of actuarial valuation.

IV) Share-based payment arrangements - Employee Stock Options

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case, the company modifies the terms and condition on which the equity instruments were granted in a manner that is beneficial to the employees, the incremental cost will be recognized over the period starting from the modification date till the date of vesting if the modification occurs during the vesting period. In case, modification occurs after the vesting period, the incremental cost will be recognized immediately.

V) Treasury Shares

The Company has created an ESOP Trust (the 'Trust') for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchase shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from other equity. No gain or loss is recognized in the statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Share options exercised during the reporting period are settled with treasury shares. Trust reserve

represents net of income over expenditure of the Trust.

I) Derivative financial instruments

The Company enters into derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk.

Such derivative financial instruments are initially recognized at fair value on the date which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss (if any) when the hedge item cash flows affects the statement of profit and loss.

Hedge Accounting

The Company makes use of derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on regular intervals to determine

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

that hedge is effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion (if any) of the gain or loss on the hedging instrument is recognised immediately as finance cost in the statement of profit and loss.

When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the statement of profit and loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the statement of profit and loss.

m) Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

I) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable

on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

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for the year ended 31 March 2026 (Contd.)

n) Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment (PPE) held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company. Subsequent expenditure on PPE after its purchase is capitalized if it is probable that the future economic benefits will flow to the enterprise.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciation and recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Depreciation and amortization expense

Depreciation on PPE is provided using the straight line method at the rates specified in Schedule II to the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Sl. No.	Item	Life (in Years)
1	Buildings	60
2	Furniture and Fixtures	10
3	Electrical Installations and Equipment	10
4	Vehicles	8
5	Office Equipment	5
6	Server	6
7	Networking tools	6

Freehold land is not depreciated.

Depreciation on vehicles given on operating lease is provided on straight line method at rates based on tenure of the underlying lease contracts not exceeding 8 years. These leases are having residual value greater than 5%, Company has justification in place for considering the same.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act:

Sl. No.	Item	Life (in Years)
1	Desktop (PC/monitor)	6
2	Laptops/Handheld Device	5
3	Scanner and UPS	6
4	Printer	3
5	Tablet	3
6	Leasehold improvements	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

During the year ended 31 March 2026, the Company has changed the estimated useful life of Laptops from 4 years to 5 years. Accordingly, the balance written down value of said Laptops had been depreciated over the revised remaining useful life from the date of change.

De-recognition

An item of PPE or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in statement of profit and loss.

Capital work-in-progress

PPE not ready for the intended use on the date of the balance sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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Individual assets costing less than or equal to ₹ 5,000/- are depreciated in full in the month of acquisition.

o) Intangible assets

Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortization and impairment losses, if any. Cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company.

Expenditure on internally developed software is recognized as an asset when the Company is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development.

The costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are Amortized over its useful life.

Amortization

Amortization of intangible assets is recognized on a straight-line basis over a period up to 6 years, which is the Management's estimate of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

Intangible assets under development

Intangible assets not ready for the intended use on the date of balance sheet are disclosed as “Intangible assets under development.

p) Impairment of non-financial assets

The Company's non – financial assets including deferred tax is assessed at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

q) Foreign Currency Transactions

Transactions in currencies other than Company's operational currency are recorded on initial recognition using the exchange rates prevailing on the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end and exchange differences that arise on settlement of monetary items or on reporting of monetary items at the closing spot rate are recognized in the statement of profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

r) Provisions and contingencies related to claims, litigation, etc.

A provision is recognized if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the

Summary of material accounting policies and other explanatory information

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present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

I) Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

II) Contingencies related to claims, litigation, etc.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

s) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the standalone financial statements where an inflow of economic benefits is probable.

t) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial

institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

u) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

v) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 52 for details on segment information presented.

w) Earnings per equity share

Basic earnings per equity share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share, if any, is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per equity share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

x) Dividend

Interim dividend declared to equity shareholders, if any, is recognized as liability in the period in which the said dividend is declared by the Board of Directors. Final dividend declared, if any, is recognized in the period in which the said dividend is approved by the Shareholders. Dividend payable is recognized directly in other equity.

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y) Subsequent events

The Company evaluates all transactions and events that occur after the balance sheet date but before the standalone financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the standalone financial statements, except as disclosed.

z) Recent pronouncements

The Ministry of corporate Affairs ("MCA") notified amendments on 7 May 2025 and 13 August 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025.

(a) Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of standalone financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its standalone financial statements.

(b) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- i) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

- ii) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.

- iii) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its standalone financial statements.

(c) Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

(d) Amendment to Ind AS 21-Lack of exchangeability

The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the standalone financial statements of the Company.

The new disclosures introduced in the standard, the entities are required to provide in their standalone financial statements for annual reporting periods beginning on or after 1 April 2025. No disclosures are required in interim periods ending on or before 31 March 2026.

New standards and amendments notified but not effective

- (i) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of standalone financial statements to not demand payment as a consequence of breach.

- b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

- c) Disclose information about the timing of settlement to understand the impact of the liability on the standalone financial statements.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its standalone financial statements.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks:		
- In current accounts	286.00	24.65
	286.00	24.65

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Bank balances other than cash and cash equivalents		
- In deposits with original maturity of more than 3 months	-	-
Earmarked balances with banks		
- Unclaimed dividend on equity shares	0.28	0.35
- Towards bank guarantees and others	7.40	7.29
	7.68	7.64

5 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at 31 March 2026		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	2,758.80	340.26	-
	2,758.80	340.26	-

Particulars	As at 31 March 2025		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	1,477.40	2.82	1.66
	1,477.40	2.82	1.66

Refer note no. 49(iv)(b) for foreign currency risk.

6 RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Trade receivables		
Considered good - unsecured	44.35	30.89
Less: Impairment loss allowance	(5.87)	(12.50)
	38.48	18.39
(ii) Other receivables		
Considered good - unsecured	-	0.32
Less: Impairment loss allowance	-	-
	-	0.32
	38.48	18.71

There are no dues by directors or other officers of the company either severally or jointly with any other person or any firms or private companies in which any director is a partner, a director or a member.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

6 RECEIVABLES (Contd.)

Trade receivables ageing schedule as at 31 March 2026

Particulars	Undisputed trade receivables – considered good	Disputed trade receivables –considered good	Total
Less than 6 months	38.47	-	38.47
6 months - 1 year	-	-	-
1-2 years	-	-	-
2-3 years	5.87	-	5.87
More than 3 years	0.01	-	0.01
Total	44.35	-	44.35
Less: Impairment loss allowance	(5.87)	-	(5.87)
Total trade receivables	38.48	-	38.48

Trade receivables ageing schedule as at 31 March 2025

Particulars	Undisputed trade receivables – considered good	Disputed trade receivables –considered good	Total
Less than 6 months	13.74	-	13.74
6 months - 1 year	0.02	-	0.02
1-2 years	17.13	-	17.13
2-3 years	-	-	-
More than 3 years	-	-	-
Total	30.89	-	30.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total trade receivables	18.39	-	18.39

Note - Ageing of the trade receivables is determined from the due date of payment till the reporting date.

7 LOANS

Particulars	As at 31 March 2026	As at 31 March 2025
Amortised cost		
(A) (i) Term loans*	56,761.15	33,549.09
(ii) Leasing	29.24	88.28
Total (A) - Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (A) - Net	55,951.49	32,694.96
(B) (i) Secured by tangible assets^	30,863.48	19,109.16
(ii) Covered by bank/government guarantees#	0.01	2.64
(iii) Unsecured	25,926.90	14,525.57
Total (B) - Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (B) - Net	55,951.49	32,694.96
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	56,790.39	33,637.37
Total (C) - Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (C) - Net	55,951.49	32,694.96

* Includes supply chain finance outstanding of ₹ 772.20 crores (31 March 2025: ₹ 1,224.62 crores) and credit substitutes outstanding of ₹ 840.86 crores (31 March 2025: Nil)

^ Secured by underlying assets financed

- # 1) Loans amounting to Nil are covered under Emergency Credit Line Guarantee Scheme for NBFCs administered by NCGTC under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (31 March 2025: ₹ 0.70 crores)
- 2) Loans amounting to ₹ 0.01 crores are covered under Credit Guarantee Scheme for NBFCs administered by CGTMSE under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (31 March 2025: ₹ 1.94 crores)

Refer Note 49, for movement in the gross carrying amount in respect of loans and corresponding ECL allowances.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

8 INVESTMENTS

As at 31 March 2026

Particulars	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Total
(A) Investments in:				
Government securities#	1,575.64	879.17	-	2,454.81
Mutual funds (invested by PFL EWT)	-	-	1.31	1.31
Others -				
Security receipts	-	-	270.10	270.10
Total – Gross (I)	1,575.64	879.17	271.41	2,726.22
Less: Allowance for impairment loss (II)	-	-	235.76	235.76
Total – Net (I)-(II)	1,575.64	879.17	35.65	2,490.46
(B) Other details:				
Investments in India	1,575.64	879.17	271.41	2,726.22
Investments outside India	-	-	-	-
Total – Gross (I)	1,575.64	879.17	271.41	2,726.22
Less: Allowance for impairment loss (II)	-	-	235.76	235.76
Total – Net (I)-(II)	1,575.64	879.17	35.65	2,490.46

As at 31 March 2025

Particulars	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Total
(A) Investments in:				
Government securities#	650.98	502.96	-	1,153.94
Mutual funds (invested by PFL EWT)	-	-	2.93	2.93
Others -				
PTC securities	3.65	-	-	3.65
Security receipts	-	-	181.11	181.11
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	85.28	85.28
Total – Net (I)-(II)	654.63	502.96	98.76	1,256.35
(B) Other details:				
Investments in India	654.63	502.96	184.04	1,341.63
Investments outside India	-	-	-	-
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	85.28	85.28
Total – Net (I)-(II)	654.63	502.96	98.76	1,256.35

#Investment in Government securities includes ₹ 879.17 crores in T-bill and ₹ 1,575.64 crores in Repo instruments. (31 March 2025: ₹ 380.97 crores in T-bill and ₹ 650.98 crores in Repo instruments)

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

9 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Accrued interest	0.60	1.60
Advances recoverable	52.26	25.78
Receivable on assigned loans	213.01	99.16
Security deposits	33.31	19.19
Advances to related parties [#]	2.26	2.31
Others [*]	36.12	36.06
Total (Gross)	337.56	184.10
Less: Impairment loss allowance	(1.12)	(1.91)
	336.44	182.19

[#]Refer Note 45 related party disclosure for detailed disclosure.

^{*}Others include receivables on Credit Guarantee Scheme amounting to ₹35.94 crores (31 March 2025 - ₹35.48 crores)

10 CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax (net of provisions)	133.38	141.51
	133.38	141.51

11 INCOME TAX

A. Income tax recognised in statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
Current tax	57.34	-
Tax expense for earlier years	(0.01)	0.26
	57.33	0.26
Deferred tax		
On account of timing differences	124.47	(37.32)
	124.47	(37.32)
Tax expense	181.80	(37.06)

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Remeasurements of the defined benefit plans	(0.51)	(0.49)
Financial instruments fair value through other comprehensive income	(0.02)	0.03
Cash flow hedge reserve	8.84	(4.27)
	8.31	(4.73)

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

11 INCOME TAX (Contd.)

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	%	Amount	%	Amount
Profit/(loss) before tax		723.61		(135.40)
Profit/(loss) on which Company's domestic tax rate would be applied	25.17%	723.61	25.17%	(135.40)
Tax as per above	-	182.12	-	(34.08)
Effect of:				
Non taxable income / tax incentives / disallowable expenses	(0.04%)	(0.31)	2.39%	(3.24)
Effective tax rate	25.13%	181.81	27.56%	(37.32)
Provisions relating to earlier years	0.00%	(0.01)	(0.19%)	0.26
Income tax expense recognised in the statement of profit and loss	25.13%	181.80	27.37%	(37.06)

D. Deferred tax assets (net)

Particulars	As at 01 April 2025	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2026
Deferred tax assets:				
Impairment loss allowance	241.47	(27.74)	-	213.73
Application of effective interest rate method on financial assets and financial liabilities	86.19	82.64	-	168.83
Provision for employee benefits	2.59	1.68	-	4.27
Business loss/unabsorbed depreciation	62.85	(62.85)	-	-
On written down value of property, plant and equipment	7.71	2.01	-	9.72
Lease liabilities	50.51	34.43	-	84.94
Others (primarily other financial liabilities)	0.03	6.15	-	6.18
	451.35	36.32	-	487.67
Deferred tax liabilities:				
EIS receivable	24.95	28.65	-	53.60
On financial assets and financial liabilities	180.49	98.69	(0.02)	279.16
Gratuity (excess of plan assets over obligation)	1.34	2.15	(0.51)	2.98
Right of use assets	43.37	31.31	-	74.68
Cash flow hedge reserve	(4.27)	-	8.84	4.57
	245.88	160.79	8.31	414.98
Net deferred tax assets	205.48	(124.47)	(8.31)	72.70

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

11 INCOME TAX (Contd.)

Particulars	As at 01 April 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2025
Deferred tax assets:				
Impairment loss allowance	257.36	(15.89)	-	241.47
Application of effective interest rate method on financial assets and financial liabilities	51.31	34.88	-	86.19
Provision for employee benefits	1.91	0.68	-	2.59
Cash flow hedge reserve	-	-	4.27	4.27
Business loss/unabsorbed depreciation	-	62.85	-	62.85
On written down value of property, plant and equipment	2.59	5.12	-	7.71
Lease liabilities	34.12	16.39	-	50.51
Others (primarily other financial liabilities)	-	0.03	-	0.03
	347.29	104.06	4.27	455.62
Deferred tax liabilities:				
EIS receivable	27.81	(2.86)	-	24.95
On financial assets and financial liabilities	125.57	54.89	0.03	180.49
Gratuity (excess of plan assets over obligation)	0.96	0.87	(0.49)	1.34
Right of use assets	29.53	13.84	-	43.37
	183.87	66.74	(0.46)	250.14
Net deferred tax assets	163.42	37.32	4.73	205.48

E. Uncertain tax positions

Refer Note 47 on contingent liabilities and commitment relating to income tax matter under dispute.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

12 INVESTMENT PROPERTY

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 31 March 2025
Investment property*	0.09	-	-	0.09	0.00	-	0.07	0.07
Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 31 March 2024
Investment property*	0.09	-	-	0.09	0.00	-	0.07	0.07

Amounts recognised in profit or loss for investment property

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Rental Income	0.03	0.03
Depreciation	0.00	0.00

* Registration of title is pending and hence fair value of the property has not been disclosed.

Description of item of property	Gross carrying amount	Title deeds held in the name of company	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the Company
Investment property	0.09	Gouri Shankar Rajgharia and Om Prakash Rajgharia	No	15 July 2004	Disputed

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

13 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 31 March 2025
Owned assets[^]								
Buildings	1.54	-	-	1.54		0.03	0.25	1.32
Furniture and fixtures	4.05	7.75	0.49	11.31		1.89	3.12	2.55
Vehicles	0.19	-	0.11	0.08		0.01	0.08	0.06
Office equipment	15.13	16.01	0.49	30.65		4.85	9.07	10.53
Leasehold improvements	10.13	29.02	1.11	38.04		2.08	3.82	7.89
Computers	32.95	19.94	0.87	52.02		8.27	28.10	12.31
Assets under lease								
Vehicles	50.63	-	23.67	26.96		6.13	18.73	20.35
Total	114.62	72.72	26.74	160.60	23.26	19.70	63.17	55.01

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 31 March 2024
Owned assets[^]								
Buildings	2.83	-	1.29	1.54		0.04	0.25	1.32
Furniture and fixtures	3.22	2.20	1.37	4.05		0.29	1.11	2.55
Vehicles	0.52	-	0.33	0.19		0.02	0.23	0.06
Office equipment	11.53	5.88	2.28	15.13		2.23	2.05	10.53
Leasehold improvements	3.77	7.78	1.42	10.13		0.61	1.26	7.89
Computers	26.83	9.78	3.66	32.95		6.10	3.61	12.31
Assets under lease								
Vehicles	73.64	-	23.01	50.63		11.97	15.70	20.35
Total	122.34	25.64	33.36	114.62	21.26	24.21	59.61	59.78

[^] For details of immovable property hypothecated against borrowings, refer Note 20.

There is no immovable property (except Investment property) where title deed of such immovable property is not held in name of the Company or jointly held with others.

For details on contractual commitment, refer note 47

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

14 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01 April 2024		As at 31 March 2025		As at 31 March 2026	
	Capitalised during the year	Additions	Capitalised during the year	Additions	Capitalised during the year	Additions
Intangible assets under development	0.26	14.08	3.91	10.43	10.63	7.01

Intangible assets under development ageing schedule as at 31 March 2026

Particulars	Less than 1 year			1-2 years			2-3 years			More than 3 years			Total
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2025
Projects in progress	25.49	16.05	0.17	41.37			6.90		0.11	-		-	7.01
Projects temporarily suspended	25.49	16.05	0.17	41.37			-		-	-		-	-
Total	25.49	16.05	0.17	41.37	6.90	0.11	6.90	0.11	0.11	-	-	-	7.01

Intangible assets under development ageing schedule as at 31 March 2025

Particulars	Less than 1 year		1-2 years		2-3 years		More than 3 years		Total
	As at 01 April 2024	Additions	As at 01 April 2024	Additions	As at 01 April 2024	Additions	As at 01 April 2024	Additions	As at 31 March 2024
Projects in progress	10.43		-		-		-		10.43
Projects temporarily suspended	-		-		-		-		-
Total	10.43	-	-	-	-	-	-	-	10.43

Refer note 47 (d) for capital commitments

15 OTHER INTANGIBLE ASSETS

Description of assets	Gross carrying amount			Accumulated amortisation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 31 March 2025
Computer software	25.49	16.05	0.17	41.37			26.07	16.41
Total	25.49	16.05	0.17	41.37	6.31	0.09	26.07	16.41

Description of assets	Gross carrying amount			Accumulated amortisation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 31 March 2024
Computer software	25.43	4.93	4.87	25.49			16.41	17.00
Total	25.43	4.93	4.87	25.49	5.52	4.87	16.41	17.00

(All amounts are in ₹ crores unless otherwise stated)

16 RIGHT OF USE ASSETS

Description of assets	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 01 April 2025	Additions /adjustments	As at 31 March 2026	As at 31 March 2025
Right of use assets	242.80	193.43	6.28	429.95	70.49	64.57	133.23	172.31
Total	242.80	193.43	6.28	429.95	70.49	64.57	133.23	172.31

Description of assets	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 01 April 2024	Additions /adjustments	As at 31 March 2025	As at 31 March 2024
Right of use assets	151.29	95.75	4.24	242.80	33.94	38.32	70.49	117.35
Total	151.29	95.75	4.24	242.80	33.94	38.32	70.49	117.35

Refer Note 42 for disclosure related to leases.

17 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Capital advances	24.89	3.22
Other advances		
- Prepaid expenses	53.35	58.39
- Balances with government authorities	46.67	38.53
- Gratuity* (excess of plan assets over obligation)	11.76	5.28
	136.67	105.42

*Refer Note 41 for disclosure related to provisions for employee benefits.

An amount of ₹ 1.74 crore included under prepaid expenses represents advance payment of share issue expenses. Upon the proposed enhancement of equity share capital pursuant to the Qualified Institutions Placement, the same shall be adjusted against Securities Premium in the statement of changes in equity.

18 ASSETS HELD FOR SALE

Particulars	As at 31 March 2026	As at 31 March 2025
Investment in joint venture	0.02	0.02
	0.02	0.02

The Board of Directors and Shareholders of the Company in their respective meetings had approved sale of its shareholding in joint venture Jaguar Advisory Services Private Limited (JASPL) held on 2 November 2021 and 13 December 2021. The Board has reaffirmed plan to sell it's shareholding in JASPL in its meeting held on 05 May 2026. The sale will be subject to requisite regulatory approvals. Accordingly, in line with the requirements of Ind AS 105 "Non-current assets held for sale", management continue to classify such investment as assets held for sale.



Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

19 PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises*	0.58	1.69
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.30	2.24
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.32
	4.88	4.25

*The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31 March 2026	As at 31 March 2025
a) Dues remaining unpaid to any supplier at the year end		
- Principal	0.58	1.69
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

Trade payables ageing schedule as at 31 March 2026

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues - MSME	0.58	-	-	-	0.58
Undisputed dues - others	4.20	0.08	0.02	-	4.30
Disputed dues – MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	4.78	0.08	0.02	-	4.88

Trade payables ageing schedule as at 31 March 2025

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues - MSME	1.69	-	-	-	1.69
Undisputed dues - others	2.22	0.02	-	-	2.24
Disputed dues – MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	3.91	0.02	-	-	3.93

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

20 DEBT SECURITIES

Measured at amortised cost - Secured

Particulars	As at 31 March 2026	As at 31 March 2025
(A) Redeemable non-convertible debentures (refer note (a) and (b) below)	14,790.18	1,663.99
Total	14,790.18	1,663.99
(B) Debt securities in India	14,790.18	1,663.99
Total	14,790.18	1,663.99

(a) Nature of security

Debentures issued under private placement are secured by first pari passu charge on the loan assets of the Company. Debentures issued under public issue are secured by mortgage of Company's immovable property situated at Luz Church Road, Mylapore, Chennai and are also secured against designated loan assets. The Company has maintained sufficient security cover towards principal, interest accrued and such other sums as stated in respective information memorandum.

(b) Terms of repayment for secured redeemable non-convertible debentures[#]

Number of debentures	Face value	Month of allotment	Month of redemption	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
10,000	100,000	Jan-23	Jan-26	Zero coupon	-	100.00
25,000	100,000	Feb-24	Feb-26	8.38%	-	249.99
10,000	100,000	Feb-23	Feb-26	7.85%	-	100.00
7,500	100,000	Apr-24	Apr-26	8.32%	75.00	74.99
25,000	100,000	Feb-24	May-26	8.38%	250.00	249.99
42,500*	100,000	Sep-24	Sep-26	8.20%	424.95	424.86
100,000*	100,000	Sep-25	Mar-27	7.58%	999.69	-
250,000	100,000	Oct-25	Mar-27	7.55%	2,499.91	-
116,000	100,000	Apr-25	Apr-27	7.65%	1,159.97	-
122,500	100,000	May-25	May-27	7.60%	1,224.96	-
100,500	100,000	Jul-25	Sep-27	7.53%	1,004.64	-
50,000	100,000	Oct-25	Sep-27	7.53%	499.81	-
35,000	100,000	Aug-25	Feb-28	7.52%	349.93	-
50,700	100,000	Dec-25	Mar-28	7.68%	506.76	-
36,500	100,000	Apr-25	Apr-28	7.70%	364.99	-
100,000	100,000	Feb-26	Jun-28	7.88%	999.95	-
56,500	100,000	May-25	Jun-28	7.65%	564.71	-
58,500	100,000	May-25	Jun-28	7.65%	584.74	-
50,000	100,000	Jun-25	Sep-28	7.58%	499.71	-
26,735	1,000	May-19	May-29	10.27%	2.65	2.64
20,323	1,000	May-19	May-29	10.75%	2.01	2.01
31,000	100,000	Nov-24	Nov-29	8.03%	309.75	309.67
15,000	100,000	Jan-25	Nov-29	8.03%	149.88	149.84
80,000	100,000	Jun-25	Jun-30	7.70%	799.23	-
100,000	100,000	Oct-25	Oct-30	7.90%	998.95	-
80,000	1,000 [^]	Jun-25	Dec-30	7.70%	8.00	-
100,000	1,000 [^]	Oct-25	Apr-31	7.90%	10.00	-
50,000	100,000	Feb-26	Feb-36	8.01%	499.99	-
					14,790.18	1,663.99

[#]As per contractual tenure

^{*}As per put option date

[^]Paid up value

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES)

Measured at amortised cost

Particulars	As at 31 March 2026	As at 31 March 2025
(A) a) Term loans - secured		
- from banks	19,198.69	8,046.53
- from financial institutions	3,987.31	4,278.46
b) Loans repayable on demand (cash credit facilities and working capital demand loans) - secured		
- from banks	3,379.56	5,607.67
c) Other loans		
- Commercial paper - unsecured [#]	3,116.05	4,378.11
- Loan from Poonawalla Finance Private Limited (taken by PFL EWT) - unsecured ^{##} @	175.00	174.74
d) External Commercial Borrowings (ECBs) - secured [^]	3,076.52	1,493.46
Total	32,933.13	23,978.97
(B) Borrowings in India	29,856.61	22,485.51
Borrowings outside India	3,076.52	1,493.46
Total	32,933.13	23,978.97

(a) Nature of security

Term Loans, Cash Credit facilities, Working Capital Demand Loans and External Commercial Borrowings are secured by way of first pari passu charge on the loan receivables of the Company under Security Trustee Arrangement.

(b) Terms of repayment of term loans (secured)*

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Yearly installments				
0 - 1 Year	7.95%	-	125.00	-
1 - 3 Years	7.95%	-	250.00	-
3 - 5 Years	7.95%	-	125.00	-
			500.00	-
Half yearly installments				
0 - 1 Year	5.95% - 8.45%	7.11% - 8.75%	1,994.12	787.26
1 - 3 Years	6.59% - 8.45%	7.11% - 8.75%	3,738.85	1,259.03
3 - 5 Years	6.59% - 7.95%	7.67% - 8.75%	2,521.15	637.14
			8,254.12	2,683.43
Quarterly installments				
0 - 1 Year	5.82% - 8.35%	6.50% - 8.65%	4,494.94	2,617.83
1 - 3 Years	6.44% - 8.35%	6.50% - 8.65%	7,198.81	5,084.55
3 - 5 Years	7.25% - 8.20%	6.50% - 8.45%	2,660.14	1,939.17
5 years and above	8.00%	-	77.99	-
			14,431.88	9,641.55
Monthly installments				
0 - 1 Year	-	12.00%	-	0.01
			-	0.01
			23,186.00	12,324.99

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

*As per contractual tenure

(c) ^Terms of repayment of external commercial borrowings

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at	As at	As at	As at
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
1 - 3 Years	7.65% - 8.17%	7.97% - 8.17%	3,076.52	1,493.46
			3,076.52	1,493.46

(d) Details of cash credit facilities and working capital demand loans

The cash credit facilities are repayable on demand and carry interest rates ranging from 7.90% to 8.40% (31 March 2025: from 8.00% to 9.50% p.a). Working capital demand loans are repayable on demand and carry interest rates ranging from 6.85% to 7.55% (31 March 2025: from 7.24% to 9.00% p.a). As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature.

#Commercial papers are repayable within 12 months and issued at a discount rate of 6.85 % p.a. - 7.67% p.a. (31 March 2025: 7.42 % p.a. - 8.78% p.a.)

##Loan taken by PFL EWT has a maturity of 4 years (until March 2028) and borrowed at a SBI 3 month Marginal cost of funding rate (MCLR) plus 80 basis point.

@Refer Note 45 related party disclosure for detailed disclosure.

(e) The Company has used the borrowings from banks and financial institutions for the purpose for which it was taken as at the balance sheet date.

22 SUBORDINATED LIABILITIES

Measured at amortised cost - unsecured

Particulars	As at 31 March 2026	As at 31 March 2025
(A) Perpetual debt instruments (Tier I capital) to the extent that do not qualify as equity	21.57	28.48
Others (Tier II capital):		
From banks (subordinated term loan)	-	99.86
Redeemable non convertible subordinated debt instruments to the extent that do not qualify as equity	353.42	109.25
Total	374.99	237.59
(B) Subordinated liabilities in India	374.99	237.59
Total	374.99	237.59

(a) Terms of maturity of perpetual debt instruments (Tier I capital)

Number of debentures	Face value	Month of allotment	Call Option Date*	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
40	500,000	Sep-15	Sep-25	12.10%	-	2.00
100	500,000	Oct-15	Oct-25	12.10%	-	4.99
60	500,000	Jun-16	Jun-26	12.10%	3.00	2.99
34	500,000	Jul-16	Jul-26	12.10%	1.70	1.70
100	1,000,000	Aug-16	Jul-26	12.10%	9.99	9.95
30	1,000,000	Sep-16	Sep-26	12.10%	2.99	2.98
19	1,000,000	Feb-17	Feb-27	11.50%	1.89	1.89
10	1,000,000	Mar-17	Mar-27	11.50%	1.00	0.99
10	1,000,000	Aug-17	Aug-27	11.00%	1.00	0.99
					21.57	28.48

*The Company can redeem using call option date with prior approval of RBI

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

22 SUBORDINATED LIABILITIES (Contd.)

(b) Terms of repayment of subordinated term loans from banks (Tier II capital)*

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
0 - 1 Year	-	12.50%	-	99.86
			-	99.86

(c) Terms of maturity of redeemable non convertible subordinated debt instruments (Tier II capital)*

Number of debentures	Face value	Month of allotment	Month of redemption	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
50	1,000,000	Mar-18	Jun-25	10.20%	-	5.00
350	1,000,000	Dec-16	Dec-26	10.40%	34.86	34.65
400	1,000,000	Jan-17	Jan-27	10.40%	39.86	39.69
150	1,000,000	Mar-17	Mar-27	10.25%	14.98	14.97
100	1,000,000	May-17	May-27	10.10%	9.98	9.97
50	1,000,000	Mar-18	Mar-28	10.00%	4.98	4.97
25,000	100,000	Jun-25	Jun-35	8.18%	248.76	-
					353.42	109.25

The Company has made all payments of principal and interest as per the repayment date.

*As per contractual tenure

23 LEASE LIABILITIES*

Particulars	As at 31 March 2026	As at 31 March 2025
Lease liabilities	337.50	200.69
	337.50	200.69

*Refer Note 42 for disclosure related to leases.

24 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Interest accrued but not due	598.81	102.22
Unclaimed dividend*	0.28	0.35
Pending remittance on assignment	256.60	194.20
Employee dues	120.20	42.18
Provision for expenses	346.71	217.75
Advances and deposits from customers	13.73	12.91
Other payables	79.74	57.88
	1,416.07	627.49

*There has been no delay in transfer of amounts required to be transferred to Investor Education and Protection Fund.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

25 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for tax (net of advance tax)	0.16	0.24
	0.16	0.24

26 PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for compensated absences*	17.03	10.37
Provision - others	0.94	0.94
Provision on undrawn commitments	2.10	1.36
	20.07	12.67

*Refer Note 41 for disclosure related to provisions for employee benefits.

27 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Revenue received in advance	12.35	17.74
Statutory dues	33.99	24.71
	46.34	42.45

28 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
1,265,000,000 (31 March 2025: 1,265,000,000) Equity shares of ₹ 2 each	253.00	253.00
58,300,000 (31 March 2025: 58,300,000) Preference shares of ₹ 100 each	583.00	583.00
	836.00	836.00
Issued, subscribed and fully paid-up		
Equity share capital		
812,817,658 (31 March 2025: 778,014,400) Equity shares of ₹ 2 each, fully paid up	162.56	155.60
Less: Equity shares 4,830,000 (31 March 2025: 5,080,000) of ₹ 2 each held by the PFL EWT	(0.97)	(1.02)
	161.59	154.58

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	772,934,400	154.58	770,550,662	154.11
Issued during the year through preferential allotment	33,148,102	6.63	-	-
Issued against employee stock option	1,655,156	0.33	3,463,738	0.69
Shares (acquired)/sold by the PFL EWT during the year	250,000	0.05	(1,080,000)	(0.22)
	807,987,658	161.59	772,934,400	154.58

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

28 EQUITY SHARE CAPITAL (Contd.)

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity share is entitled to one vote per share.

The dividend recommended by the Board of Directors and approved by the Shareholders in the Annual General meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31 March 2026, the Company has issued and allotted 33,148,102 fully paid-up equity shares of the Company, having face value of ₹ 2 each, at an issue price of ₹ 452.51 per equity share including premium of ₹ 450.51 per equity share, aggregating to ₹ 1,499.98 crores through Preferential Issue, on private placement basis to Rising Sun Holdings Private Limited, promotor of the Company under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018, Listing Regulations, the Act and the Rules made thereunder, and other applicable laws.

During the year, the Company has allotted 1,655,156 equity shares of face value of ₹ 2 each to the eligible employees of the Company under various Employee Stock Option Plans pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations"), as amended from time to time. Refer note no 44 for disclosures related to share based payments.

Refer note 56 on subsequent events.

(c) Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

(d) Shares bought back

The Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

(e) Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2026		As at 31 March 2025	
	%	No. of shares	%	No. of shares
Equity shares				
Rising Sun Holdings Private Limited*	63.93%	519,644,637	62.53%	486,496,535

*Holding Company

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

28 EQUITY SHARE CAPITAL (Contd.)

(f) Shareholding of Promoters

Shares held by promoters as at 31 March 2026			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	519,644,637	63.93%	2.24%
Shares held by promoters as at 31 March 2025			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	486,496,535	62.53%	0.65%

(g) For equity shares reserved for issue under options, please refer note 44.

29 OTHER EQUITY*

Particulars	As at 31 March 2026	As at 31 March 2025
Capital reserve	4.80	4.80
Securities premium	7,095.52	5,538.72
Statutory reserves	1,034.87	926.50
Capital redemption reserve	14.22	14.22
Share option outstanding reserve	179.30	131.21
Treasury shares	(176.96)	(177.01)
Trust reserves	(83.01)	(78.13)
Retained earnings	2,053.65	1,621.74
Other comprehensive income	13.58	(12.65)
	10,135.97	7,969.40

*Refer statement of changes in equity for movement in reserves

Nature and purpose of reserves:

Capital reserve

Capital reserve has been created to set aside gains of capital nature from amalgamation and merger. It is utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)

Statutory reserve represents the reserve fund created under section 45-IC of the Reserve Bank of India Act, 1934. The Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss. The statutory reserve can be utilized for the purposes as may be specified by the Reserve Bank of India from time to time.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

29 OTHER EQUITY* (Contd.)

Capital redemption reserve

Capital redemption reserve is created to keep the capital intact when preference shares are redeemed or equity shares are bought back. It is utilised in accordance with the provisions of the Companies Act, 2013.

Share option outstanding reserve

The Company instituted the Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.

Treasury shares

The reserve for shares of the Company held by the PFL EWT. The Company has issued employees stock option scheme for its employees. The equity shares of the Company have been purchased and held by PFL EWT. PFL EWT to transfer these shares in the name of employees at the time of exercise of option by employees.

Trust reserve

This represents net of expenditure over income of PFL EWT Trust.

Retained earnings

Retained earnings represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to general reserve or any such other appropriations to specific reserves. It also includes impact of remeasurement of defined benefit plans.

Financial instruments through other comprehensive income

(a) **On debt investments:** This comprises changes in the fair value of debt instruments recognised in other comprehensive income. The company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.

(b) **On cash flow hedge reserve:** It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

30 INTEREST INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on loans (measured at amortised cost)	6,062.38	3,791.39
Interest on investments	75.81	80.87
Interest on deposits with banks	1.19	1.38
Other interest income		
- on security deposit	1.43	0.86
Total	6,140.81	3,874.50

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

31 RENTAL INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income from lease rentals		
- on operating lease assets	8.48	16.83
- on investment property	0.03	0.03
Total	8.51	16.86

32 FEES AND COMMISSION INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Collection and support services	2.11	2.76
Foreclosure income	78.11	35.59
Insurance commission income	129.07	38.70
Fees on value added services and products	116.75	39.83
Others (cheque bouncing charges, penal charges, etc)	93.71	75.38
Total	419.75	192.26

33 NET GAIN/(LOSS) ON FAIR VALUE CHANGES*

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(A) Net gain/(loss) on financial instruments at fair value through profit and loss		
On investment	4.28	(13.72)
Total Net gain/(loss) on fair value changes (A)	4.28	(13.72)
(B) Fair Value changes:		
Realised gain/(loss)	4.28	(13.72)
Unrealised gain/(loss)	-	-
Total Net gain/(loss) on fair value changes (B)	4.28	(13.72)

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

34A NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Gain from derecognition on account of direct assignment transactions	216.83	84.95
Gain on sale of non performing assets net of reversal of provision of ₹ Nil (31 March 2025 - ₹ 68.37 crores)	-	21.19
Net gain on derecognition of financial instruments	216.83	106.14

34B NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Loss on sale of non performing assets net of reversal of provision of ₹ 239.38 crores (31 March 2025 - ₹ 163.96 crores)	105.79	94.41
Net loss on derecognition of financial instruments	105.79	94.41

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

35 OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on derecognition of lease	0.55	0.28
Net gain on sale of property, plant and equipment	-	6.18
Miscellaneous income	4.92	26.62
	5.47	33.08

36 FINANCE COST (MEASURED AT AMORTISED COST)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on borrowings (other than debt securities)	1,933.03	1,354.92
Interest on debt securities	748.78	109.91
Interest on subordinated liabilities	31.53	15.44
Interest expense on lease liabilities*	25.91	16.51
Other borrowing costs (includes non EIR borrowing expenses)	26.77	17.46
Interest on security deposits	0.65	0.85
	2,766.67	1,515.09

*Refer Note 42 for disclosure related to leases.

37 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Loans	136.61	177.13
Other assets	(7.42)	1.14
Bad debts written-off (includes settlement losses and net of recoveries)*	974.94	1,279.90
Total	1,104.13	1,458.17

*Includes consideration received on sale of written-off assets ₹ 134.27 crores (31 March 2025: ₹ 61.25 crores).

38 EMPLOYEE BENEFITS EXPENSES*^

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	877.22	487.39
Contribution to provident and other funds	54.94	24.77
Share based payments to employees	69.90	108.90
Staff welfare expenses	15.48	15.16
	1,017.54	636.22

*Refer Note 45 for related party disclosure

^Refer Note 41 for disclosure related to provisions for employee benefits.

39 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment (including investment property)	23.26	21.26
Depreciation on right of use assets (refer note 16 and 42)	64.57	38.32
Amortisation of intangible assets	6.31	5.52
	94.14	65.10

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

40 OTHERS EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Rent	7.21	2.86
Rates and taxes	0.66	0.53
Net loss on sale of property, plant and equipment	1.45	-
Electricity charges	8.59	6.82
Repairs and maintenance		
- Machinery	0.02	0.01
- Others	4.56	1.49
Information technology expenses	173.68	111.29
Communication expenses	21.93	10.30
Printing and stationery	5.27	4.54
Advertisement and publicity	89.90	55.53
Director fees	5.40	5.14
Legal charges	25.84	13.72
Professional fees*	117.01	51.85
Bureau expenses	54.19	57.56
Insurance	0.94	0.40
Travelling and conveyance	28.20	12.71
CSR expenditure**	6.56	10.51
Outsource collection charges	222.11	145.07
Outsourced manpower cost	144.45	59.57
Miscellaneous expenses	65.80	25.63
	983.77	575.53

*Includes payments to auditors (net of GST credit availed)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory audit (including limited reviews)	1.94	1.64
Other services	0.74	0.34
Reimbursement of expenses	0.28	0.22
Total	2.96	2.20

**Details of corporate social responsibility expenditure ("CSR")

A CSR committee has been formed by the Company as per the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the said Act. The focus area of CSR initiatives undertaken by the Company are education, health and environment. The Company incurs CSR expenses directly.

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Gross amount required to be spent by the Company during the year	6.56	10.46
(b) Amount spent during the year		
(i) Construction/acquisition of any asset	1.15	-
(ii) On purposes other than (i) above	5.41	10.51
(c) Shortfall at the end of the year	-	-
(d) Previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities		
Key CSR programmes undertaken by implementing agencies focusing on education & literacy including promoting education, skill development & livelihood, women empowerment, healthcare and nutrition including eradicating hunger, poverty & malnutrition and breakthrough research program of IIT bombay		

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

40 OTHERS EXPENSES (Contd.)

(g) In case of section 135(6) details of ongoing project

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank A/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
As at 31 March 2026	-	-	6.56	6.56	-	-	-
As at 31 March 2025	-	-	10.46	10.51	-	-	-

41 EMPLOYEE BENEFIT PLANS

The Company operates the following post-employment plans -

i. Defined contribution plan

The contribution made to various statutory funds is recognized as expenses and included in Note 38 'Employee benefits expenses' under 'Contribution to provident and other funds' in statement of profit and loss. The detail is as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Provident and Other Funds	40.41	21.50

ii. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the "New Labour Codes". This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC) & Kotak Mahindra Life Insurance Company Limited. This defined benefit plan exposes the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc. as defined below.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2026	As at 31 March 2025
Net defined benefit asset	11.76	5.28

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC) and Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at 31 March 2026			As at 31 March 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance at the beginning of the year	20.68	25.96	(5.28)	16.24	20.02	(3.78)
Included in statement of profit and loss						
Current service cost	6.51	-	6.51	3.59	-	3.59
Past service cost	8.24	-	8.24	-	-	-
Interest cost/(income)	1.51	(1.73)	(0.22)	1.12	(1.44)	(0.32)
	16.26	(1.73)	14.53	4.71	(1.44)	3.27
Included in other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(1.38)	-	(1.38)	0.67	-	0.67
- experience adjustment	3.63	-	3.63	0.82	-	0.82
Return on plan assets	-	0.21	(0.21)	-	0.47	0.47
	2.25	0.21	2.04	1.49	0.47	1.96
Other						
Contributions paid by the employer	-	23.05	(23.05)	-	6.72	(6.72)
Benefits paid	(1.25)	(1.25)	-	(1.76)	(1.75)	(0.01)
	(1.25)	21.80	(23.05)	(1.76)	4.97	(6.73)
Balance at the end of the year	37.94	49.28	(11.76)	20.68	25.96	(5.28)

C. Plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Funds managed by		
Life Insurance Corporation of India (LIC)	71%	84%
Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life)	29%	16%
	100%	100%

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four labour codes collectively referred to as the "New Labour Codes". The Company has assessed the implications of the New Labour Codes and have taken an estimated increase in provision of ₹ 6.42 crores in the quarter ended 31 December 2025 and recognised the same in the employee benefits expenses during the year ended 31 March 2026.

The Government is in the process of notifying related Central/State rules to the New Labour Codes and impact of these will be evaluated and accounted for, as needed, in accordance with applicable accounting standards in the period in which they are notified.

On an annual basis, the Company performs an asset-liability matching exercise and contributes the net incremental actuarial liability to the plan manager (insurer) to effectively manage the associated liability risk.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

D. Actuarial assumptions

Particulars	As at 31 March 2026	As at 31 March 2025
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate (per annum)	7.22%	6.67%
Salary increase rate (per annum)	5.00%	5.00%
Withdrawal rate:		
Below 40 years (per annum)	18.00%	18.00%
40 years to 54 years (per annum)	7.00%	7.00%
Above 54 years (per annum)	2.00%	2.00%
Expected rate of return on plan assets (per annum)	6.66%	7.19%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(37.36)	38.57	(20.36)	21.03
Salary increase rate (0.5% movement)	39.32	(36.66)	21.43	(19.98)
Withdrawal rate (2% movement)	(37.91)	38.01	(20.67)	20.71
Mortality rate (1% movement)	37.96	(37.96)	20.69	(20.69)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2026	As at 31 March 2025
1 year	2.98	1.87
Between 2-5 years	17.77	9.61
Between 6-10 years	19.57	9.23
Over 10 years	13.24	7.54
Total	53.56	28.25

As at 31 March 2026, the weighted-average duration of the defined benefit obligation was 7.30 years (31 March 2025: 7.36 years).

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, Company is exposed to various risks as follows -

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate): Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

Longevity Risk: The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Future Salary Increase Risk: Actual salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Demographic Risk: If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financial assumptions.

Regulatory Risk: Any changes to the current regulations by the Government, will increase (in most cases) or decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

iii. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the statement of profit and loss for compensated absences is as under:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Compensated absences	9.67	5.45

42 LEASES

As a lessee, the Company classified property leases as operating leases under Ind AS 116.

A. Lease in the capacity of Lessee

a) Nature: Leases considered here are taken for official use.

b) Other disclosures

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1) Depreciation charge for Right-of-use assets for leasehold premises (presented under note - 39 "Depreciation, amortisation and impairment")	64.57	38.32
2) Interest expense on lease liabilities (presented under note - 36 "Finance costs")	25.91	16.51
3) Expense relating to short-term leases (presented under note - 40 "Other expenses")	5.64	1.91
4) Payments for principal portion of lease liabilities	51.63	27.91
5) Additions to right of use assets	193.43	95.75
6) Carrying amount of right of use assets (presented under note - 16 "Right of use assets")	296.72	172.31
7) Lease liabilities (presented under note - 23 "Lease liabilities")	337.50	200.69

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

42 LEASES (Contd.)

c) Movement in the carrying value of the right of use assets

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	172.31	117.35
Additions during the year	193.43	95.75
Depreciation charge for the year	(64.57)	(38.32)
Adjustment/deletion	(4.45)	(2.47)
Closing balance	296.72	172.31

d) Movement in the carrying value of the lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	200.69	135.59
Interest expense	25.91	16.51
Lease payments	(77.54)	(44.42)
Additions during the year	193.43	95.75
Adjustment/deletion	(4.99)	(2.74)
Closing balance	337.50	200.69

e) Maturity analysis of lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Less than 1 year	62.38	43.92
1 - 3 years	120.17	83.19
3 - 5 years	77.30	48.86
More than 5 years	77.65	24.72
Total	337.50	200.69

B. Lease in the capacity of Lessor

a) Nature: Operating and finance lease of vehicles primarily to corporate clients

b) The Company manages the risk associated with any rights it retains in underlying assets as per the terms of the respective lease contracts.

c) Future lease payments

i) At year end, the future lease receivables under operating leases are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1 st Year	6.48	13.74
2 nd Year	2.53	7.21
3 rd Year	-	2.83
Total	9.01	23.78

ii) At year end, the future lease receivables under finance leases are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1 st Year	26.20	60.50
2 nd Year	4.89	30.01
3 rd Year	-	5.64
Total	31.09	96.15

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

42 LEASES (Contd.)

d) Reconciliation - finance lease

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net investment in lease (carrying amount of Finance lease)	29.24	88.28
Unearned finance income	1.85	7.87
Total lease payments	31.09	96.15

43 EARNINGS PER EQUITY SHARE (EPS)

Particulars	Units	Year ended 31 March 2026	Year ended 31 March 2025
a) Net profit/(loss) after tax	₹ in crores	541.81	(98.34)
b) (i) Weighted average number of equity shares for basic EPS	Nos	791,896,081	771,799,364
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	2,670,740	1,379,075
(iii) Weighted average number of equity shares for diluted EPS	Nos	794,566,821	773,178,439
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	6.84	(1.27)
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	6.82	(1.27)

* Due to losses incurred in comparative period, the potential equity shares are considered as anti-dilutive

44 SHARE-BASED PAYMENTS

A Description of share-based payment arrangements

The Company instituted Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company.

ESOP, 2021

The Company instituted the Employee Stock Option Plan - 2021 ("ESOP 2021"), administered by the Nomination and Remuneration Committee. The ESOP 2021 was originally approved by the Board of Directors on 19 June 2021 and our Shareholders on 24 July 2021. Under ESOP 2021, the maximum aggregate number of stock options that could be allotted was limited to 15,000,000 stock options, with each option representing one Equity Share of ₹ 2/- each of the Company.

The Nomination and Remuneration Committee at its meeting held on 1 June 2024 approved the termination of ESOP 2021 and cancelled ungranted stock options under the scheme. The stock options that have been granted under ESOP 2021 to eligible employees of our Company, and remain outstanding, shall remain operational until such options are exercised/lapsed. During the year, the Nomination and Remuneration Committee of the Company has allotted 1,648,458 options under ESOP 2021 to the eligible employees of the Company.

ESOP - 2024

Our Company instituted the Employee Stock Option Plan – 2024 ("ESOP 2024 – PFL Trust"), administered by the Nomination and Remuneration Committee, to acquire, purchase, hold and deal in the Equity Shares by way of secondary acquisition through the PFL Employee Welfare Trust. The ESOP 2024 – PFL Trust was approved by the Board of Directors on 18 January 2024 and our Shareholders on 20 February 2024. Approval of the Board of Directors was also provided to the Company on 18 January 2024 to grant loans and to provide guarantee or security in connection with a loan granted or to be granted to the PFL Employee Welfare Trust, not exceeding five per cent of the aggregate of the paid up share capital and free reserves of our Company, for the purpose of effecting the ESOP 2024 – PFL Trust.

Under ESOP 2024 – PFL Trust, the maximum aggregate number of stock options that could be granted and Equity Shares to be accordingly transferred was limited to 15,000,000 Equity Shares. On exercise of stock options granted to eligible employees under ESOP 2024 – PFL Trust, corresponding Equity Shares were to be transferred from the PFL Employee Welfare Trust to the relevant eligible employees.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

However, the Board of Directors at their meeting held on 1 June 2024 approved the cancellation of ESOP 2024 – PFL Trust and the dissolution of the PFL Employees Welfare Trust, subject to requisite approvals and compliances under applicable law. The Board also noted that no stock options were granted by our Company to any employee under ESOP 2024 – PFL Trust.

ESOP - 2024 Scheme II

Our Company instituted the Employee Stock Option Plan – 2024 - Scheme II ("ESOP 2024"), administered by the Nomination and Remuneration Committee. The ESOP 2024 was originally approved by the Board of Directors on 8 April 2024 and our Shareholders on 13 May 2024. Under ESOP 2024, the maximum aggregate number of stock options that could be allotted was limited to 20,000,000 stock options, with each option representing one Equity Share of the Company. These options were granted in the absolute discretion of the Nomination and Remuneration Committee on the basis of factors such as eligible employee's performance appraisal, seniority, period of service, and present and potential contribution to the growth of the Company.

The ESOP 2024 was amended through a special resolution passed by our Shareholders by way of postal ballot on 16 June 2025, to increase the maximum aggregate number of stock options that could be allotted under this scheme to 32,500,000 stock options, with each option representing one Equity Share of ₹ 2/- each of the Company. The options generally will vest in a graded manner and are exercisable within 3 years from the date of vesting (refer note C below for details of modification).

During the year, the Nomination and Remuneration Committee of the Company has granted 2,015,000 options under ESOP - 2024 Scheme II to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). During the year 94,000 options were lapsed and added in the pool. During the year, the Nomination and Remuneration Committee of the Company has allotted 6,698 options under ESOP 2024 Scheme II to the eligible employees of the Company.

B Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option of Poonawalla Fincorp Limited was ₹ 102.80 (31 March 2025: ₹ 105.40).

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Units	Year ended 31 March 2026	Year ended 31 March 2025
Fair value at grant date	₹	98.53 - 126.97	69.95 - 163.62
Share price at grant date	₹	366.3 - 466.05	276.2 - 478.15
Exercise price	₹	361.15 - 452.48	279.7 - 484.58
Expected volatility (weighted average volatility)	%	35.84 - 38.95	35.96 - 42.28
Expected life (expected weighted average life)	years	2.1 - 2.11	2.1 - 3.09
Expected dividend Yield	%	0 - 0	0.53 - 1.08
Risk-free interest rate (based on government bonds)	%	5.68 - 6.03	6.46 - 6.99

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

C Modification of ESOP plan

During the previous year ended 31 March 2025, Nomination and Remuneration Committee of the Company had approved modification of vesting schedule for ESOP 2021, in line with ESOP 2024 Scheme II. Under ESOP 2021, the revised vesting schedule provided for the vesting of the total options granted over a 3 year period from earlier vesting schedule of over 4 year period. Accordingly, the Company had accounted the modification in line with Ind AS 102 - 'Share Based Payments'. As a result of modification, there was no incremental fair value for the options modified. The impact on statement of profit and loss of this modification was ₹ 23.06 crores.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

D Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

ESOP, 2007

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	3,200	2.00
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	3,200	2.00
Less: Lapsed/forfeited during the year	-	-	-	-
Outstanding options at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

There are Nil options outstanding as at 31 March 2026 & 31 March 2025. The options outstanding as at 31 March 2024 had an exercise price of ₹ 2 per option.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was ₹ 488.05.

ESOP, 2021

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	4,677,354	282.80	10,106,632	262.00
Add: Granted during the year	-	-	40,000	484.58
Less: Exercised during the year	1,648,458	249.26	3,460,538	230.46
Less: Lapsed/forfeited during the year	375,940	314.79	2,008,740	272.36
Outstanding options at the end of the year	2,652,956	299.11	4,677,354	282.80
Options vested and exercisable at the end of the year	1,978,456	290.70	2,352,278	264.49

The options outstanding at 31 March 2026 have an exercise price in the range of ₹ 164.42 to ₹ 498.80 (31 March 2025: ₹ 164.42 to ₹ 498.80) and a weighted average remaining contractual life of years 0.24 years (31 March 2025: 0.78 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2026 was ₹ 426.87 (31 March 2025: ₹ 400.59).

ESOP, 2024 Scheme II

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	18,044,000	429.99	-	-
Add: Granted during the year	2,015,000	403.92	18,052,000	430.00
Less: Exercised during the year	6,698	362.39	-	-
Less: Lapsed/forfeited during the year	94,000	331.11	8,000	448.55
Outstanding options at the end of the year	19,958,302	427.85	18,044,000	429.99
Options vested and exercisable at the end of the year	5,916,802	430.59	-	-

The options outstanding at 31 March 2026 have an exercise price in the range of ₹ 279.70 to ₹ 471.55 (31 March 2025: ₹ 279.70 to ₹ 471.55) and a weighted average remaining contractual life of years 1.47 years (31 March 2025: 2.33 years).

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2026 was ₹ 481.40 (31 March 2025: Nil).

E Equity shares reserved for issue under options

Particulars	No. of options granted	Exercise price (₹)	Year ended 31 March 2026		Year ended 31 March 2025	
			No. of options	Amount	No. of options	Amount
Under ESOP 2021:						
Tranche 1	1,500,000	175.48	-	-	200,000	0.04
Tranche 2	4,325,750	164.42	84,217	0.02	178,197	0.04
Tranche 4	2,092,050	238.55	43,300	0.01	254,858	0.05
Tranche 5	3,941,400	251.28	498,985	0.10	911,445	0.18
Tranche 6	1,361,500	230.45	47,589	0.01	316,809	0.06
Tranche 7	311,250	229.29	35,000	0.01	35,000	0.01
Tranche 8	1,437,000	307.89	327,215	0.07	483,395	0.10
Tranche 9	412,500	298.95	65,950	0.01	230,450	0.05
Tranche 10	567,500	297.83	215,800	0.04	243,000	0.05
Tranche 11	330,000	311.78	99,500	0.02	120,200	0.02
Tranche 12	300,000	307.06	-	-	-	-
Tranche 13	640,000	329.90	359,900	0.07	369,000	0.07
Tranche 14	200,000	391.82	-	-	-	-
Tranche 15	80,000	379.06	75,000	0.02	75,000	0.02
Tranche 16	40,000	377.00	25,500	0.01	35,000	0.01
Tranche 17	1,000,000	300.26	670,000	0.13	1,000,000	0.20
Tranche 18	200,000	321.19	-	-	-	-
Tranche 19	20,000	370.80	-	-	20,000	0.00
Tranche 20	100,000	376.36	-	-	100,000	0.02
Tranche 21	50,000	498.80	50,000	0.01	50,000	0.01
Tranche 22	15,000	462.30	15,000	0.00	15,000	0.00
Tranche 23	40,000	484.58	40,000	0.01	40,000	0.01
Under ESOP 2024 Scheme II:						
Tranche 1	132,000	448.55	104,902	0.02	124,000	0.02
Tranche 2	50,000	358.84	50,000	0.01	50,000	0.01
Tranche 3	8,000,000	459.58	8,000,000	1.60	8,000,000	1.60
Tranche 4	2,000,000	471.55	2,000,000	0.40	2,000,000	0.40
Tranche 5	230,000	438.53	230,000	0.05	230,000	0.05
Tranche 6	1,500,000	471.55	1,500,000	0.30	1,500,000	0.30
Tranche 7	270,000	409.55	270,000	0.05	270,000	0.05
Tranche 8	300,000	471.55	300,000	0.06	300,000	0.06
Tranche 9	50,000	405.18	50,000	0.01	50,000	0.01
Tranche 10	100,000	349.93	100,000	0.02	100,000	0.02
Tranche 11	300,000	401.70	300,000	0.06	300,000	0.06
Tranche 12	500,000	390.60	500,000	0.10	500,000	0.10
Tranche 13	300,000	382.63	300,000	0.06	300,000	0.06
Tranche 14	600,000	403.20	600,000	0.12	600,000	0.12
Tranche 15	845,000	393.48	845,000	0.17	845,000	0.17
Tranche 16	200,000	361.10	200,000	0.04	200,000	0.04
Tranche 17	100,000	327.88	100,000	0.02	100,000	0.02

Summary of material accounting policies and other explanatory information
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(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

Particulars	No. of options granted	Exercise price (₹)	Year ended 31 March 2026		Year ended 31 March 2025	
			No. of options	Amount	No. of options	Amount
Tranche 18	60,000	368.28	56,700	0.01	60,000	0.01
Tranche 19	10,000	358.90	10,000	0.00	10,000	0.00
Tranche 20	300,000	360.00	300,000	0.06	300,000	0.06
Tranche 21	75,000	363.83	75,000	0.02	75,000	0.02
Tranche 22	60,000	356.15	60,000	0.01	60,000	0.01
Tranche 23	310,000	353.95	306,700	0.06	310,000	0.06
Tranche 24	14,000	320.43	14,000	0.00	14,000	0.00
Tranche 25	425,000	320.30	425,000	0.09	425,000	0.09
Tranche 26	185,000	321.98	185,000	0.04	185,000	0.04
Tranche 27	370,000	310.85	370,000	0.07	370,000	0.07
Tranche 28	176,000	321.68	176,000	0.04	176,000	0.04
Tranche 29	315,000	312.18	265,000	0.05	315,000	0.06
Tranche 30	75,000	287.15	75,000	0.02	75,000	0.02
Tranche 31	150,000	279.70	125,000	0.03	150,000	0.03
Tranche 32	50,000	285.93	50,000	0.01	50,000	0.01
Tranche 33	155,000	361.15	155,000	0.03	-	-
Tranche 34	70,000	405.75	70,000	0.01	-	-
Tranche 35	90,000	367.08	90,000	0.02	-	-
Tranche 36	150,000	426.65	150,000	0.03	-	-
Tranche 37	50,000	452.48	50,000	0.01	-	-
Tranche 38	500,000	443.80	500,000	0.10	-	-
Tranche 39	1,000,000	387.95	1,000,000	0.20	-	-

Amount recognised in statement of profit and loss

Year ended 31 March 2026: ₹ 69.90 crores

Year ended 31 March 2025: ₹ 108.90 crores

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24)

(i) Name of related parties and description of relationship (entities / person with whom the Company has transactions):

A Holding Company

Rising Sun Holdings Private Limited

B Fellow Subsidiary

Poonawalla Finance Private Limited

C Member of Promoter group

Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)

Synergist Realtors Private Limited (#)

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

D Joint Venture

Jaguar Advisory Services Private Limited

E Director and Key Managerial Personnel ('KMP')	Nature of Relationship
Mr. Adar Cyrus Poonawalla	Chairman & Non Executive Director
Mr. Arvind Kapil	Managing Director and Chief Executive Officer (Appointed w.e.f. 10 June 2024)
Mr. Sunil Samdani	Executive Director
Mr. Vikas Pandey	Executive Director (Appointed w.e.f. 16 January 2026)
Mr. Sanjay Miranka	Chief Financial Officer
Mrs. Shabnum Zaman	Company Secretary
Mr. Prabhakar Dalal	Independent Non Executive Director
Mr. Sanjay Kumar	Independent Non Executive Director
Ms. Kemisha Soni	Independent Non Executive Director
Ms. Sonal Sanjay Modi	Non Executive Director (w.e.f. 16 August 2024)
Mr. Kewal Kundanlal Handa	Independent Non Executive Director (w.e.f. 01 October 2024)
Mr. Rajeev Sardana	Independent Non Executive Director (w.e.f. 18 December 2024)
Mr. Abhay Bhutada	Managing Director (ceased to be Director w.e.f. 09 June 2024)
Mr. Bontha Prasada Rao	Independent Non Executive Director (ceased to be Director w.e.f. 09 December 2025)
Mr. Sajid Fazalbhoy	Non Executive Director (ceased to be Director w.e.f. 01 June 2024)
Mr. Amar Sudhakar Deshpande	Non Executive Director (ceased to be Director w.e.f. 30 August 2024)
Mr. Atul Kumar Gupta	Independent Non Executive Director (ceased to be Director w.e.f. 09 December 2024)

(ii) Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2026	Outstanding amount as at 31 March 2026	Transaction value for the year ended 31 March 2025	Outstanding amount as at 31 March 2025
A) Holding Company					
Rising Sun Holdings Private Limited	Issuance of equity shares capital at face value	6.63	-	-	-
	Securities premium on issue of equity shares	1,493.35	-	-	-
B) Fellow Subsidiary					
Poonawalla Finance Private Limited#	Leave and license agreement:				
	Rent paid	23.52	-	18.54	-
	Reimbursement of expenses	0.22	-	-	-
	Security deposit paid	2.51	6.14	-	3.63
	Loan given to PFL employee welfare trust	-	175.00	-	175.00
	Interest on loan given to PFL employee welfare trust	16.45	-	15.75	-

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2026	Outstanding amount as at 31 March 2026	Transaction value for the year ended 31 March 2025	Outstanding amount as at 31 March 2025
C) Member of Promoter group					
1 Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)	Insurance advances given	27.59	2.26	18.41	2.19
	Insurance advances adjusted	27.52	-	17.26	-
	Insurance commission income	10.34	0.66	5.92	0.70
	Insurance premium paid (net)	0.15	-	6.07	-
	Advance for mediclaim policy	-	-	-	0.11
	Redemption of public issue of NCD	-	-	75.00	-
	Interest Paid on NCD	-	-	7.88	-
2 Synergist Realtors Private Limited#	Lease and license agreement:				
	Rent paid	2.14	-	-	-
D) Joint venture					
1 Jaguar Advisory Services Private Limited	Investment in equity shares	-	0.02	-	0.02
E) Director and Key Managerial Personnel ('KMP')					
1 Mr. Adar Cyrus Poonawalla	Sitting fees	0.04	-	0.08	-
2 Mr. Arvind Kapil	Salary	10.00	-	45.66	-
3 Mr. Vikas Pandey	Salary	0.51	-	-	-
4 Mr. Abhay Bhutada	Salary	-	-	0.42	-
5 Mr. Sunil Samdani	Salary	5.39	-	4.93	-
	Share based payments	4.17	-	-	-
	Share Capital	0.07	-	-	-
	Share Premium	9.84	-	-	-
6 Mr. Sanjay Miranka	Salary	3.95	-	2.86	-
	Share based payments	5.74	-	2.16	-
	Share Capital	0.06	-	0.02	-
	Securities Premium	5.96	-	2.49	-
7 Mrs. Shabnum Zaman	Salary	1.26	-	1.10	-
	Share based payments	2.30	-	-	-
	Share Capital	0.02	-	-	-
	Securities Premium	2.48	-	-	-

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2026	Outstanding amount as at 31 March 2026	Transaction value for the year ended 31 March 2025	Outstanding amount as at 31 March 2025
8 Mr. Bontha Prasada Rao	Sitting fees	0.13	-	0.24	-
	Commission	0.35	0.35	0.50	0.50
9 Mr. Prabhakar Dalal	Sitting fees	0.26	-	0.33	0.01
	Commission	0.50	0.50	0.50	0.50
10 Mr. Sajid Fazalbhoj	Sitting fees	-	-	0.02	-
11 Mr. Amar Sudhakar Deshpande	Sitting fees	-	-	0.22	-
12 Mr. Sanjay Kumar	Sitting fees	0.21	-	0.27	-
	Commission	0.50	0.50	0.50	0.50
13 Mr. Atul Kumar Gupta	Sitting fees	-	-	0.26	-
14 Ms. Kemisha Soni	Sitting fees	0.27	-	0.24	0.01
	Commission	0.50	0.50	0.50	0.50
15 Ms. Sonal Sanjay Modi	Sitting fees	0.40	-	0.24	0.01
	Commission	0.50	0.50	0.31	0.31
16 Mr. Kewal Kundanlal Handa	Sitting fees	0.15	-	0.08	-
	Commission	0.50	0.50	0.25	0.25
17 Mr. Rajeev Sardana	Sitting fees	0.17	-	0.04	-
	Commission	0.50	0.50	0.14	0.14

Notes:

- Related parties identified includes related parties as per section 2(76) of the Companies Act, 2013.
- Sitting fees and director's commission values are excluding of GST.
- # Pursuant to Composit Scheme of Arrangement the real estate business of Poonawalla Finance Private Limited has demerged to Synergist Realtors Private Limited effective 31 January 2026.

(iii) Compensation of key managerial personnel

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Short-term employee benefits	19.82	54.06
Post-employment defined benefit*	1.30	0.91
Share-based payments	12.21	2.16
	33.33	57.13

*Excludes provision for encashable leave and gratuity for key management personnel as these are determined for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced on an arm's length basis. Outstanding amount as at the end of the year, in respect of loan and advances are unsecured and to be settled in cash and / or adjusted against goods or services.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are estimated to be recovered or settled.

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	286.00	-	286.00	24.65	-	24.65
Bank balances other than cash and cash equivalents	7.58	0.10	7.68	7.62	0.02	7.64
Derivative financial instruments	-	340.26	340.26	-	2.82	2.82
Receivables	38.48	-	38.48	18.71	-	18.71
Loans	19,085.29	36,866.20	55,951.49	12,145.30	20,549.66	32,694.96
Investments	2,456.12	34.34	2,490.46	1,233.29	23.06	1,256.35
Other financial assets	168.53	167.91	336.44	118.95	63.24	182.19
	22,042.00	37,408.81	59,450.81	13,548.52	20,638.80	34,187.32
Non-financial assets						
Current tax assets (net)	-	133.38	133.38	-	141.51	141.51
Deferred tax assets (net)	-	72.70	72.70	-	205.48	205.48
Investment property	-	0.07	0.07	-	0.07	0.07
Property, plant and equipment	-	97.43	97.43	-	55.01	55.01
Intangible assets under development	-	7.01	7.01	-	10.43	10.43
Other intangible assets	-	26.07	26.07	-	16.41	16.41
Right of use assets	65.17	231.55	296.72	45.33	126.98	172.31
Other non-financial assets	46.66	90.01	136.67	38.53	66.89	105.42
	111.83	658.22	770.05	83.86	622.78	706.64
Assets held for sale	0.02	-	0.02	0.02	-	0.02
	22,153.85	38,067.03	60,220.88	13,632.40	21,261.58	34,893.98
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	1.66	1.66
Payables	4.88	-	4.88	4.25	-	4.25
Debt securities	4,248.25	10,541.93	14,790.18	450.00	1,213.99	1,663.99
Borrowings (other than debt securities)	13,109.66	19,823.47	32,933.13	13,390.89	10,588.08	23,978.97
Subordinated liabilities	110.11	264.88	374.99	111.56	126.03	237.59
Lease liabilities	62.38	275.12	337.50	43.92	156.77	200.69
Other financial liabilities	1,395.51	20.56	1,416.07	614.58	12.91	627.49
	18,930.79	30,925.96	49,856.75	14,615.20	12,099.44	26,714.64
Non-financial liabilities						
Current tax liabilities (net)	0.16	-	0.16	0.24	-	0.24
Provisions	2.18	17.89	20.07	1.51	11.16	12.67
Other non-financial liabilities	33.99	12.35	46.34	24.71	17.74	42.45
	36.33	30.24	66.57	26.46	28.90	55.36
	18,967.12	30,956.20	49,923.32	14,641.66	12,128.34	26,770.00

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

47 CONTINGENT LIABILITIES

Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Company not acknowledged as debt		
i) Income tax matters under dispute	1.30	2.65
ii) VAT and GST matters under dispute	7.42	7.31
iii) Service tax matters under dispute	6.18	6.18
iv) Legal cases against the Company*	2.39	2.26
v) Bank Guarantees provided	0.19	0.32

* The Company is involved in certain litigations and claims, including collection and repossession related matters, arising in the ordinary course of business, which are pending before various judicial authorities. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/decisions pending with the relevant authorities.

- b) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that it has a reasonable case in its defense of the proceedings and does not expect any material adverse impact on its financial position, except to the extent provided for accordingly no further provision has been created.
- c) The Company has certain litigations pending with various appellate authorities which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having a potential impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities arising out of these litigations, where applicable, in its standalone financial statements.

d) Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	27.91	19.45
ii) Undrawn loan commitments	761.64	516.13

- e) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

48 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

The following table shows the carrying amounts of financial assets and financial liabilities.

Particulars	As at 31 March 2026			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	286.00	-	-	286.00
Bank balances other than cash and cash equivalents	7.68	-	-	7.68
Derivative financial instruments	-	-	340.26	340.26
Receivables	38.48	-	-	38.48
Loans	55,951.49	-	-	55,951.49
Investments*	1,575.64	35.65	879.17	2,490.46
Other financial assets	336.44	-	-	336.44
	58,195.73	35.65	1,219.43	59,450.81
Financial liabilities:				
Derivative financial instruments	-	-	-	-
Payables	4.88	-	-	4.88
Debt securities	14,790.18	-	-	14,790.18
Borrowings (other than debt securities)	32,933.13	-	-	32,933.13
Subordinated liabilities	374.99	-	-	374.99
Lease liabilities	337.50	-	-	337.50
Other financial liabilities	1,416.07	-	-	1,416.07
	49,856.75	-	-	49,856.75

Particulars	As at 31 March 2025			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	24.65	-	-	24.65
Bank balances other than cash and cash equivalents	7.64	-	-	7.64
Derivative financial instruments	-	-	2.82	2.82
Receivables	18.71	-	-	18.71
Loans	32,694.96	-	-	32,694.96
Investments*	654.63	98.76	502.96	1,256.35
Other financial assets	182.19	-	-	182.19
	33,582.78	98.76	505.78	34,187.32
Financial liabilities:				
Derivative financial instruments	-	-	1.66	1.66
Payables	4.25	-	-	4.25
Debt securities	1,663.99	-	-	1,663.99
Borrowings (other than debt securities)	23,978.97	-	-	23,978.97
Subordinated liabilities	237.59	-	-	237.59
Lease liabilities	200.69	-	-	200.69
Other financial liabilities	627.49	-	-	627.49
	26,712.98	-	1.66	26,714.64

*Investment in joint venture has been classified as assets held for sale as on 31 March 2026 and 31 March 2025.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

48 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost / other and for which fair values are disclosed in the standalone financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2026	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	879.17	35.65	-	914.82
Derivative financial instruments	-	340.26	-	340.26
Financial liabilities:				
Derivative financial instruments	-	-	-	-

Assets and liabilities which are measured at amortised cost / others for which fair values are disclosed

As at 31 March 2026	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	286.00	286.00	286.00	-	-
Bank balances other than cash and cash equivalents	7.68	7.68	7.68	-	-
Receivables	38.48	38.48	-	-	38.48
Loans	55,951.49	55,906.77	-	-	55,906.77
Investments	1,575.64	1,575.64	1,575.64	-	-
Other financial assets	336.44	336.44	-	-	336.44
	58,195.73	58,151.01	1,869.32	-	56,281.69
Financial liabilities:					
Payables	4.88	4.88	-	-	4.88
Debt securities	14,790.18	14,725.10	-	14,725.10	-
Borrowings (other than debt securities)	32,933.13	32,933.13	-	32,933.13	-
Subordinated liabilities	374.99	373.28	-	373.28	-
Lease liabilities	337.50	337.50	-	-	337.50
Other financial liabilities	1,416.07	1,416.07	-	-	1,416.07
	49,856.75	49,789.96	-	48,031.51	1,758.45

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

48 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	502.96	98.76	-	601.72
Derivative financial instruments	-	2.82		2.82
Financial liabilities:				
Derivative financial instruments	-	1.66	-	1.66

Assets and liabilities which are measured at amortised cost / others for which fair values are disclosed

As at 31 March 2025	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	24.65	24.65	24.65	-	-
Bank balances other than cash and cash equivalents	7.64	7.64	7.64	-	-
Receivables	18.71	18.71	-	-	18.71
Loans	32,694.96	32,681.26	-	-	32,681.26
Investments	654.63	654.63	650.98	3.65	-
Other financial assets	182.19	182.19	-	-	182.19
	33,582.78	33,569.08	683.27	3.65	32,882.16
Financial liabilities:					
Payables	4.25	4.25		-	4.25
Debt securities	1,663.99	1,678.95	-	1,678.95	-
Borrowings (other than debt securities)	23,978.97	23,978.97	-	23,978.97	-
Subordinated liabilities	237.59	244.03	-	244.03	-
Lease liabilities	200.69	200.69	-	-	200.69
Other financial liabilities	627.49	627.49	-	-	627.49
	26,712.98	26,734.38	-	25,901.95	832.43

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash in hand, balances with other banks, receivables, payables and certain other financial assets and liabilities, with maturities less than a year from the balance sheet date. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

48 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Financial assets and liabilities measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.
Financial assets measured at FVTPL	NAV based method	Not applicable	Not applicable
Investment	NAV based method	Not applicable	Not applicable

49 FINANCIAL RISK MANAGEMENT

In the normal course of doing its business the company is exposed to certain inherent financial risks in the form of credit risk, market risk, operational risk, liquidity risk, interest rate risk, compliance risk, reputational risk, etc.

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event
- When a borrower becomes more than 90 days past due in its contractual payments



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Contd.)

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

In case of newly launched products, where the Company does not have sufficient historical data to estimate PD, it uses industry level aggregate data obtained from credit bureaus, or third-party data providers or performance of an existing product which closely resembles the new product. In cases where investments are made in instruments that, in substance, constitute financing activities and are classified under loans, the applicable staging norms, PD and LGD rates shall align with those prescribed for corporate / NBFC loans. In case of products having maturity less than 12 months, a tenure adjustment is undertaken on annualised PD rates to address shorter tenure of the product.

Expected loss has been calculated as an unbiased and probability-weighted amount for multiple scenarios. The probability of default has been calculated for 3 scenarios: upside (16% probability), downside (16%) and base (68%). These weightages have been decided on best practices and judgement.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes more than 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date, and
- significant increase in credit risk on other financial instruments of same borrower

d) Exposure at default (EAD)

The exposure at default (EAD) for ECL computation represents the principal outstanding, installment overdue, accrued interest, future interest post discounting as key components and some other adjustments of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

For newly launched products, where historical collection data is not available or is insufficient, the Company either uses the collection performance of an existing product which closely resembles the new product or

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49 FINANCIAL RISK MANAGEMENT (Contd.)

industry level aggregate data obtained from credit bureaus / third-party data providers, appropriate product specific LGD estimation method, or reports published by recognised institution, or regulatory guidance available if any.

In case of certain loan products having an inherent unsecured component (e.g. loans where Loan-to-Value is greater than 100%), the LGD rate is derived through a combination of respective secured and unsecured LGD rates. Loss Given Default (LGD) for Stage 2 and Stage 3 for wholesale exposures (NBFC, Corporate and SCF portfolio) is determined on a case-by-case basis, on the basis of resolution / collection / curing strategy adopted for each borrower.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Similarly, if external credit rating of a corporate borrower is downgraded to non-investment grade from investment grade, this will trigger review to determine the significant increase of credit risk from the initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) **Stage 1: 12- months ECL:** For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.
- (b) **Stage 2: Lifetime ECL, not credit-impaired:** For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) **Stage 3: Lifetime ECL, credit-impaired:** Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized on net basis.

h) Expected Credit Loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 90 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

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49 FINANCIAL RISK MANAGEMENT (Contd.)

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed models and other historical data and where the Company does not have sufficient historical data, it uses regulatory guidance available, if any or benchmark rates obtained from external sources like research agencies, credit bureaus, or publicly available information. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

In case of any portfolio or a segment thereof showing abnormal delinquency behaviour, the ECL approach is reviewed and adjusted to reflect adequate provisioning in line with the risk profile. The Company also provides for expected credit loss on undrawn loan commitments wherever applicable.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL models and accordingly, Company has used Consumer Price Index (CPI) as the relevant ME variable. Overtime, new ME variables may emerge to have a better correlation and may replace ME being used now. In case of improvement in PD rates after application of macroeconomic (ME) factors, the same are conservatively kept at pre-application level for such products where PD rates are derived basis external benchmark or publicly available industry reports or default transition studies or credit bureau data, etc

Policy on write off of loan assets

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit and loss on actual realization from customer.

The following table provides information about the exposure to credit risk and expected credit loss for assets on finance.

Loans measured at amortised cost

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit-impaired
As at 31 March 2026				
Current (not past due)	54,890.08	0.52%	287.97	No
Upto 30 days overdue	497.94	7.86%	39.15	No
More than 30 days and upto 60 days overdue	389.00	15.26%	59.35	No
More than 60 days and upto 90 days overdue	194.99	26.38%	51.43	No
More than 90 days overdue	818.38	49.00%	401.00	Yes
	56,790.39	1.48%	838.90	

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit-impaired
As at 31 March 2025				
Current (not past due)	31,806.92	1.07%	340.33	No
Upto 30 days overdue	588.27	16.09%	94.64	No
More than 30 days and upto 60 days overdue	410.57	24.04%	98.72	No
More than 60 days and upto 90 days overdue	212.96	33.68%	71.73	No
More than 90 days overdue	618.65	54.47%	336.99	Yes
	33,637.37	2.80%	942.41	

Summary of material accounting policies and other explanatory information
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49 FINANCIAL RISK MANAGEMENT (Contd.)

Expected credit loss on trade and other receivables

Trade/other receivables primarily includes receivables against support services, operating lease and sale of power. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade/other receivables that do not contain a significant financing component. The application of simplified approach does not require to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. It holds the trade/other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost, less loss allowance.

Cash and cash equivalents and bank balance other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 293.68 crores at 31 March 2026 (31 March 2025: ₹ 32.29 crores). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows:

(i) Movements in the gross carrying amount in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Gross carrying amount on 1 April 2024	22,161.96	614.97	268.45
Transfer to Stage 1	49.50	(41.84)	(7.66)
Transfer to Stage 2	(460.82)	462.58	(1.76)
Transfer to Stage 3	(487.57)	(53.70)	541.26
Loan assets originated or purchased (net of repayments)	23,042.46	209.11	441.14
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(10,992.71)	(192.76)	(55.76)
Impact of changes in credit risk on account of stage movements	(22.03)	(144.13)	(145.46)
Write offs	(895.60)	(230.70)	(421.56)
Gross carrying amount on 31 March 2025	32,395.19	623.53	618.65
Transfer to Stage 1	73.21	(56.91)	(16.30)
Transfer to Stage 2	(482.37)	491.22	(8.85)
Transfer to Stage 3	(647.70)	(72.26)	719.96
Loan assets originated or purchased (net of repayments)	39,847.36	193.33	256.16
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(15,350.58)	(169.30)	(143.11)
Impact of changes in credit risk on account of stage movements	(25.37)	(145.46)	(174.57)
Write offs	(421.72)	(280.16)	(433.56)
Gross carrying amount on 31 March 2026	55,388.02	583.99	818.38

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

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49 FINANCIAL RISK MANAGEMENT (Contd.)

(ii) Movements in the allowance for impairment in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
	Stage 1	Stage 2	Stage 3	
Loss allowance on 1 April 2024	747.66	118.72	132.59	
Transfer to Stage 1	8.87	(6.09)	(2.78)	
Transfer to Stage 2	(19.30)	20.19	(0.89)	
Transfer to Stage 3	(14.24)	(8.42)	22.66	
Loan assets originated or purchased	208.99	84.33	274.49	
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(11.23)	(15.96)	(27.00)	
Impact of changes in credit risk on account of stage movements	(6.27)	53.67	180.45	
Write offs	(479.51)	(75.99)	(242.53)	
Loss allowance on 31 March 2025	434.97	170.45	336.99	
Transfer to Stage 1	12.17	(5.51)	(6.66)	
Transfer to Stage 2	(12.65)	15.91	(3.27)	
Transfer to Stage 3	(18.14)	(10.81)	28.96	
Loan assets originated or purchased	228.98	50.28	138.17	
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(88.08)	(3.65)	(88.23)	
Impact of changes in credit risk on account of stage movements	(11.11)	39.10	232.10	
Write offs	(219.02)	(144.99)	(237.06)	
Loss allowance on 31 March 2026	327.12	110.78	401.00	

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

(iii) Movements in ECLs in relation to trade receivable and undrawn loan commitments is as follows

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses		
	Stage 1	Stage 2	Stage 3	
Loss allowance on 1 April 2024	13.27	-	-	
Add: Provision made during the year	2.39	0.11	-	
Less: Write off/write back of excess ECL during the year	-	-	-	
Loss allowance on 31 March 2025	15.66	0.11	-	
Add: Provision made during the year	0.85	-	-	
Less: Write off/write back of excess ECL during the year	7.42	0.11	-	
Loss allowance on 31 March 2026	9.09	-	-	

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Upon renegotiation, such accounts are classified as Stage 2 or Stage 3 depending upon nature and status of account at the time of renegotiation. Such accounts are upgraded only upon observation of satisfactory repayments of one year from the date of renegotiation.

Exposure to modified financial assets not resulting in de-recognition:

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Particulars	As at 31 March 2026	As at 31 March 2025
Gross carrying amount	13.04	24.72
Loss allowance	2.43	5.91
Net carrying amount	10.61	18.81

i) Concentration risk

Pursuant to the guidelines of the RBI, credit exposure to a single party must not exceed 25% of Tier 1 capital and 40% of Tier 1 capital of the Company to a single group of parties. The Company is in compliance with these guidelines.

In addition, the Company views the concentration of risk on the basis of below product category.

Loans (carrying value)	As at 31 March 2026	As at 31 March 2025
Asset backed finance (ABF)	7,025.87	5,306.31
Loan against property (LAP)	15,397.24	8,753.87
Personal and Consumer finance	15,180.08	7,625.18
Business loan and Professional loan	7,767.57	5,475.71
Mid-market lending*	9,244.88	6,475.45
Education loan	875.58	0.85
Gold loan	1,299.17	-
Total	56,790.39	33,637.37

Particulars	As at 31 March 2026	As at 31 March 2025
Asset backed finance (ABF)	12.37%	15.78%
Loan against property (LAP)	27.11%	26.02%
Personal and Consumer finance	26.73%	22.67%
Business loan and Professional loan	13.68%	16.28%
Mid-market lending*	16.28%	19.25%
Education loan	1.54%	0.00%
Gold loan	2.29%	-
Total	100.00%	100.00%

*Includes NBFC loans and supply chain finance.

Fair value of collateral relating to credit impaired financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Collateral value of underlying assets	512.05	299.94

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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The Company has obtained fund and non-fund based working capital lines from various banks and financial institutions. Further, the Company has access to funds from debt markets through commercial paper, non-convertible debentures and other debt instruments including term loans & external commercial borrowings. Cash Credit/WCDL limits are renewed on annual basis and are therefore revolving in nature.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at 31 March 2026	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Payables	4.88	4.88	4.88	-	-	-
Debt securities	14,790.18	17,250.22	4,829.80	9,037.55	2,672.12	710.75
Borrowings (other than debt securities)	32,933.13	36,851.33	14,964.97	16,099.20	5,706.80	80.36
Subordinated liabilities	374.99	577.93	126.14	58.58	40.90	352.31
Lease liabilities	337.50	427.23	88.21	155.77	96.12	87.13
Other financial liabilities	1,416.07	1,416.07	1,395.50	4.87	1.17	14.53
Total	49,856.75	56,527.66	21,409.50	25,355.97	8,517.11	1,245.08

As at 31 March 2025	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	1.66	1.66	-	1.66	-	-
Payables	4.25	4.25	4.25	-	-	-
Debt securities	1,663.99	1,947.90	537.40	871.06	539.44	-
Borrowings (other than debt securities)	23,978.97	26,522.48	14,528.51	9,248.94	2,745.03	-
Subordinated liabilities	237.59	275.48	133.83	141.65	-	-
Lease liabilities	200.69	245.87	59.53	102.53	56.54	27.27
Other financial liabilities	627.49	627.49	627.49	-	-	-
Total	26,714.64	29,625.13	15,891.01	10,365.84	3,341.01	27.27

iv. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹. In cases where the borrowings are denominated in foreign currency, the Company uses derivatives to manage market risks.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing financial assets/liabilities. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and funding requirements for its day to day operations like short-term loans.

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The Company has USD denominated liability (external commercial borrowings) at floating rate of interest causing volatility in the cash flow arising on principal and interest repayment.

Management aims to hedge the volatility with appropriate derivative instruments. Accordingly, the Company has entered into cross currency swaps with tenor and maturity matching with the underlying cashflow.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Financial assets	43,194.20	25,433.45
Financial liabilities	23,116.35	8,507.24
Variable rate instruments		
Financial assets	16,256.61	8,753.87
Financial liabilities	26,740.40	18,207.40

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 bps in interest rate at the reporting date would have increased or decreased profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at 31 March 2026		
Variable rate instruments	(104.84)	104.84
As at 31 March 2025		
Variable rate instruments	(94.54)	94.54

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year-end balances are not necessarily representative of the average debt outstanding during the year. This analysis assumes that all other variables remain constant.

b) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowings i.e unfavourable movement in the USD INR conversion rate charged by the bank on USD loan repayment and interest settlement from time to time. The Company has hedged the entire ECB exposure for the full tenure as per Board approved Risk Management Policy. The Company has entered into cross currency swaps with strategy which aims to hedge a defined portion of the exposure to USD-INR exchange rate volatility on borrowings and interest repayable in USD. The Company's risk management policy is to hedge 100% of its foreign currency exposure. The Company uses Cross Currency Swaps to hedge its currency risk and applies a hedge ratio of 1:1. The Asset Liability Committee periodically reviews and monitors risk involved in the transactions. These contracts are designated as cash flow hedges. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In these hedge relationships, there are no hedge ineffectiveness because it is hedged to extent of 100% of principal and interest amount of external commercial borrowings.

Summary of material accounting policies and other explanatory information

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49 FINANCIAL RISK MANAGEMENT (Contd.)

The carrying amounts of the Company’s foreign currency exposure at the end of the reporting period are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
	Exposure*	
External commercial borrowings	2,758.80	1,477.40
Notional amount of derivative instrument	2,758.80	1,477.40

*The amount mentioned are in functional currency INR (₹) however the underlying exposure is in USD (\$)

Hedging framework

The Company’s hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Nature and conditions of outstanding derivative contracts:

Particulars	Notional Amount	Fair value asset	Fair value liability	Effective portion of Cash flow hedge reserve
Cash flow hedge				
Cross currency swaps				
31 March 2026	2,758.80	340.26	-	13.60
31 March 2025	1,477.40	2.82	1.66	(12.68)

Refer Note 46 for maturity analysis of derivative financial instruments.

v Legal and operational risk

Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks, so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced.

As at 31 March 2026, there were legal cases pending against the Company aggregating ₹ 2.39 crores (31 March 2025: ₹ 2.26 crores). Based on the opinion of the Company’s legal advisors, the management believes that no substantial liability is likely to arise from these cases.

Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure

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4. Use of Identification & Monitoring tools and like Risk Control Self- Assessment (RCSA), Key Risk Indicators (KRIs), Risk Appetite Statements (RAS) and Control testing
5. Standardized reporting templates, reporting structure and frequency
6. Regular workshops and training for enhancing awareness and risk culture
7. Documented BCM Framework

The Company has adopted the globally accepted 3-lines of defense approach to risk management.

First line – Each function/vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is “bottom-up”, ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line – Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line – Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

During the year ended 31 March 2026, the Operational Risk (OR) team has helped to identify, assess, monitor and mitigate risks across the organization. RCSA exercises, Internal Finance Control (‘IFC’) testing and KRI monitoring have been conducted for key business units / support functions, and action plans have been developed to plug process gaps. Apart from this quarterly RAS monitoring, Outsourcing Risk management and Business continuity testing was also undertaken during the Financial year. The OR team helps senior management monitor risks through quarterly reporting of OR information to the Operational Risk Management Committee (ORMC) and the RMC.

50 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at 01 April 2025	Loan taken	Loan paid	Non cash changes*	As at 31 March 2026
Debt securities	1,663.99	13,581.64	(450.00)	(5.45)	14,790.18
Borrowings (other than debt securities)	23,978.97	16,006.40	(7,351.55)	299.31	32,933.13
Subordinated liabilities	237.59	250.00	(112.00)	(0.60)	374.99
Lease liabilities	200.69	-	(77.54)	214.35	337.50
Total Liabilities from financing activities	26,081.24	29,838.04	(7,991.09)	507.61	48,435.80

Particulars	As at 01 April 2024	Loan taken	Loan paid	Non cash changes*	As at 31 March 2025
Debt securities	1,227.09	959.92	(522.68)	(0.34)	1,663.99
Borrowings (other than debt securities)	13,616.13	19,129.67	(8,781.20)	14.37	23,978.97
Subordinated liabilities	236.91	-	-	0.68	237.59
Lease liabilities	135.59	-	(44.42)	109.52	200.69
Total Liabilities from financing activities	15,215.72	20,089.59	(9,348.30)	124.23	26,081.24

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 CAPITAL MANAGEMENT

The Company actively manages capital base to cover risks inherent in the business and meet the Capital Adequacy Requirements (CAR) of the Reserve Bank of India (RBI). The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. The primary objective of the capital management policy is to ensure that the company complies with regulatory capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholder value. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. There is no changes in the capital management process from the previous year.

i. Regulatory capital

The Company's regulatory capital consists of the sum of the following elements:

- Tier 1 capital, which includes ordinary share capital, retained earnings, perpetual debt and reserves and deduction for intangible assets, deferred tax asset and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities and impairment provision in respect of Stage 1 assets as per the regulations.

Particulars	As at 31 March 2026	As at 31 March 2025
CRAR (%)	16.83	22.94
CRAR -Tier I Capital (%)	15.90	21.67
CRAR -Tier II Capital (%)	0.93	1.27

ii. Capital allocation

The Management uses regulatory capital ratios to monitor its capital base. There is no allocation of capital required as Company is operating primarily in a single segment i.e., financing.

52 OPERATING SEGMENTS

The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108. The Executive Committee of the Company has been identified as the Chief Operating Decision Maker (CODM) pursuant to the requirements of Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are reviewed regularly by the CODM for the purpose of allocation of resources and evaluation of performance. The Company does not have operations outside India and hence there is no external revenue or assets which require disclosure.

The Company does not derive revenue, from any single customer, 10% or more of Company's total income.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

53 REVENUE FROM CONTRACTS WITH CUSTOMERS (DISCLOSURE AS REQUIRED BY IND AS 115)

(a) Below table provides disaggregation of revenue from contracts with customers:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue by type of service		
Fees and commission income	419.75	192.26
Other income	5.47	33.08
Total	425.22	225.34
Revenue by geographical markets		
India	425.22	225.34
Outside India	-	-
Total	425.22	225.34
Revenue by timing of recognition of revenue		
Performance obligation satisfied at a point in time	425.22	225.34
Performance obligation satisfied over period of time	-	-
Total	425.22	225.34

Particulars	As at 31 March 2026	As at 31 March 2025
(b) Trade and other receivables	38.48	18.71
	38.48	18.71

54 ADDITIONAL INFORMATION

- a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- b) The quarterly information statement filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- c) The Company has not been declared as wilful defaulter by any banks, financial institution or other lenders.
- d) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- e) The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.
- f) The Company has not advanced or given loans or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding that the intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries, except loans or advances given in the normal course of business.
- g) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries), or provide any guarantee, security, or the like on behalf of the ultimate beneficiaries, except for loans or advances given in the normal course of business.
- h) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

54 ADDITIONAL INFORMATION (Contd.)

- i) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- j) The Company used accounting software to maintain its books of account for the year ended 31 March 2026, with audit trail (edit log) features enabled at both application and database levels, in line with the requirements of MCA notification. However, for one of the accounting software, the audit trail logs at the database level were preserved effective 26 June 2024 onwards.

- k) Relationship with Struck off Companies:

Disclosure of transactions with the companies struck off -

Particulars	Nature of transactions with struckoff Companies	Balance outstanding as at 31 March 2026 (₹ in crores)	Relationship with the Struck off companies
Magnum Management Services Private Limited	Loan receivables	0.39	External
Vrb Hitech Publishers Private Limited	Loan receivables	1.33	External
Ugetship Impex Private Limited	Loan receivables	0.00	External
Srm Resources Pvt. Ltd.	Loan receivables	0.07	External
Geethika Tradelinks Limited	Loan receivables	0.00	External

- l) The Company has not entered into any scheme of arrangements which has an accounting impact on current/previous financial year.
- m) The Company has not carried out any revaluation of property, plant and equipment during the year ended 31 March 2026 and 31 March 2025.

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS*

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(a) Capital

Particulars	As at 31 March 2026	As at 31 March 2025
(i) CRAR (%)	16.83	22.94
(ii) CRAR -Tier I capital (%)	15.90	21.67
(iii) CRAR -Tier II capital (%)	0.93	1.27
(iv) Amount of subordinated debt raised as Tier- 2 capital	250.00	-
(v) Subordinated debt as Tier-II capital*	251.74	23.84
(vi) Amount of perpetual debt instruments outstanding as at year end	21.57	28.48
(vii) Amount raised during the year by issue of perpetual debt instruments	-	-
(viii) Percentage of the amount of PDI of the amount of its Tier 1 capital	0.22	0.36

*Discounted value of Tier II bonds considered for the purpose of Tier II capital.

There is no default of payment of interest on PDI.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(b) Investments

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Gross value of investments#		
(a) In India	2,726.24	1,341.65
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	235.76	85.28
(b) Outside India	-	-
(iii) Net value of investments#		
(a) In India	2,490.48	1,256.37
(b) Outside India	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	85.29	18.69
(ii) Add: Provisions made during the year	186.65	91.33
(iii) Less: Write off/write back of excess provisions during the year	36.18	24.73
(iv) Closing balance	235.76	85.29

#Includes investment classified as assets held for sale in joint venture of ₹ 0.02 crores as on 31 March 2026 (31 March 2025: ₹ 0.02 crores).

(c) Derivative

Particulars	As at 31 March 2026	As at 31 March 2025
(I) Forward rate agreements/interest rate swaps	2,758.80	1,477.40
(i) The notional principal of swap agreements	340.26	2.82
(ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	340.26	1.16
(v) The fair value of the swap book (net)		
(II) Exchange traded interest rate derivatives		
The company has not traded in exchange traded interest rate derivatives during 31 March 2026 and 31 March 2025		
(III) Disclosures on risk exposure in derivatives		
Details for qualitative disclosure are part of material accounting policy as per standalone financial statements. (Refer note no. 2(I) & 49(iv))		
Quantitative disclosures		
(i) Derivatives (notional principal amount) for hedging*	2,758.80	1,477.40
(ii) Mark to market positions		
(a) Asset (+)	340.26	2.82
(b) Liability (-)	-	(1.66)
(iii) Credit exposure	-	-
(iv) Unhedged exposure	-	-

*The Company has hedged its foreign currency borrowings through Cross currency swaps.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(d) Asset Liability Management - Maturity pattern of certain items of Assets and Liabilities

As at 31 March 2026

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 years upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	2,238.48	191.08	319.91	2,095.72	2,154.45	4,313.46	7,772.19	20,136.09	4,992.07	11,738.04	55,951.49
Investments	1,501.90	75.05	-	49.64	108.71	146.61	574.21	-	-	34.34	2,490.46
Borrowings*	0.00	111.80	420.90	1,992.67	1,889.61	2,208.74	10,844.31	22,214.84	7,578.29	837.14	48,098.30
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at 31 March 2025

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 years upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-	-	-
Advances	1,256.20	210.18	539.94	1,514.90	1,405.76	2,763.54	4,454.78	12,258.31	2,964.83	5,326.52	32,694.96
Investments	495.07	102.00	104.35	76.94	96.51	83.01	275.41	21.37	0.70	0.99	1,256.35
Borrowings*	-	36.78	479.91	2,517.92	1,821.97	888.58	8,207.29	8,887.33	3,040.77	-	25,880.55
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-

*includes foreign currency borrowings of ₹ 3,076.52 crores (31 March 2025: ₹ 1,493.46 crores).

(e) Exposures

Particulars	As at 31 March 2026	As at 31 March 2025
1 Exposure to real estate sector		
i) Direct exposure		
(a) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	7,498.23	4,773.67
(b) Commercial real estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi family, residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits.	439.88	190.41
(c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
1) Residential	-	-
2) Commercial real estate	-	-
ii) Indirect exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	671.05	818.10
Total Exposure to Real Estate Sector	8,609.16	5,782.18

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Particulars	As at 31 March 2026	As at 31 March 2025
2 Exposure to capital market		
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	25.64	-
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	265.10	55.20
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	522.87	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) Bridge loans to companies against expected equity flows/issues	-	-
(viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix) Financing to stockbrokers for margin trading	440.12	200.85
(x) All exposures to Alternative Investment Funds:	-	-
(i) Category I		
(ii) Category II		
(iii) Category III		
Total Exposure to capital market	1,253.73	256.05

3 Details of financing of parent company products

The Company has not financed any products of parent Company in the financial year ended 31 March 2026 and 31 March 2025.

4 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits during the financial year ended 31 March 2026 and 31 March 2025.

5 Unsecured Advances

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured Advances	25,926.91	14,526.11

There are no unsecured advances given against intangible securities such as charge over the rights, licenses, authorisation, etc. during the financial year ended 31 March 2026 and 31 March 2025.

The above unsecured advances includes advances covered by bank/government guarantees amounting to ₹ 0.01 crores (31 March 2025: ₹ 0.54 crores).

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

6 Intra group exposures

There are no Intra-group exposures as on 31 March 2026 and 31 March 2025.

7 Unhedged foreign currency exposures

There are no unhedged foreign currency exposures as on 31 March 2026 and 31 March 2025.

(f) (i) Transactions with related parties

For the year ended 31 March 2026

Sr. No.	Related Parties Items	Parent (as per ownership or control)			Subsidiaries			Associates/Joint ventures			Directors			Relatives of directors		
		Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	-	-	0.02	-	0.02	-	-	-	-	-	-
6	Purchase of fixed/other assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
7	Sale of fixed assets/other assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
8	Interest paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
9	Interest received	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
10	Others	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Rent paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Repayment of advances	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Security deposits paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Remuneration	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Share based payments	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Issuance of equity shares capital at face value	6.63	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Securities premium on issue of equity shares	1,493.35	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Dividend paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Others*	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Total	1,499.98	-	-	-	-	-	0.02	-	0.02	-	-	3.35	-	-	-
											4.98					

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Sr. No.	Related Parties Items	Key Managerial Personnel#			Relatives of Key Managerial Personnel			Others			Total		
		Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	175.00	-	175.00	-	175.00	175.00
2	Deposits	-	-	-	-	-	-	-	-	-	-	-	-
3	Placement of deposits	-	-	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	27.59	2.26	6.69	27.59	2.26	6.69
5	Investments	-	-	-	-	-	-	-	-	-	-	0.02	0.02
6	Purchase of fixed/other assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA
7	Sale of fixed assets/other assets	-	-	NA	-	-	NA	-	-	NA	-	-	NA
8	Interest paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA
9	Interest received	-	-	NA	-	-	NA	16.45	-	NA	16.45	-	NA
10	Others	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Rent paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Repayment of advances	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Security deposits paid	-	-	NA	-	-	NA	25.66	-	NA	25.66	-	NA
	Remuneration	21.11	-	NA	-	-	NA	27.52	-	NA	27.52	-	NA
	Share based payments	12.21	-	NA	-	-	NA	2.51	6.14	6.14	2.51	6.14	6.14
	Issuance of equity shares capital at face value	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Securities premium on issue of equity shares	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Dividend paid	-	-	NA	-	-	NA	-	-	NA	-	-	NA
	Others*	18.43	-	NA	-	-	NA	10.71	0.66	NA	34.12	4.01	NA
	Total	51.75	-	-	-	-	-	110.44	184.06	187.83	1,667.15	187.43	187.86



Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(f) Transactions with related parties
For the year ended 31 March 2025

Related Parties		Parent (as per ownership or control)		Subsidiaries		Associates/Joint ventures		Directors		Relatives of directors	
Sr. No.	Items	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Transaction value	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-	-	-
4	Advances	-	-	-	-	-	-	-	-	-	-
5	Investments	-	-	-	-	0.02	0.02	-	-	-	-
6	Purchase of fixed/other assets	-	-	NA	-	-	NA	-	-	-	NA
7	Purchase of fixed/other assets	-	-	NA	-	-	NA	-	-	-	NA
8	Interest paid	-	-	NA	-	-	NA	-	-	-	NA
9	Interest received	-	-	NA	-	-	NA	-	-	-	NA
10	Others	-	-	-	-	-	-	-	-	-	-
	Rent paid	-	-	NA	-	-	NA	-	-	-	NA
	Repayment of advances	-	-	NA	-	-	NA	-	-	-	NA
	Security deposits paid	-	-	NA	-	-	NA	-	-	-	NA
	Remuneration	-	-	NA	-	-	NA	-	-	-	NA
	Share based payments	-	-	NA	-	-	NA	-	-	-	NA
	Dividend paid	-	-	NA	-	-	NA	-	-	-	NA
	Others*	-	-	NA	-	-	NA	4.72	2.72	-	NA
	Total	-	-	-	-	0.02	0.02	4.72	2.72	-	-

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Related Parties		Key Managerial Personnel#		Relatives of Key Managerial Personnel		Others		Total	
Sr. No.	Items	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Outstanding at year end	Maximum outstanding during the year	Transaction value	Maximum outstanding during the year
1	Borrowings	-	-	-	-	-	-	75.00	250.00
2	Deposits	-	-	-	-	-	-	-	-
3	Placement of Deposits	-	-	-	-	-	-	-	-
4	Advances	-	-	-	18.41	231	7.02	18.41	7.02
5	Investments	-	-	-	-	-	-	-	0.02
6	Purchase of fixed/other assets	-	-	NA	-	-	NA	-	NA
7	Sale of fixed assets/other assets	-	-	NA	-	-	NA	-	NA
8	Interest paid	-	-	NA	23.63	-	NA	23.63	NA
9	Interest received	-	-	NA	-	-	NA	-	NA
10	Others	-	-	NA	-	-	-	-	-
	Rent paid	-	-	NA	-	-	NA	-	NA
	Repayment of advances	-	-	NA	18.54	-	NA	18.54	-
	Security deposits paid	-	-	NA	17.26	-	NA	17.26	-
	Remuneration	-	-	NA	-	3.63	3.63	-	3.63
	Share based payments	54.97	-	NA	-	-	NA	54.97	NA
	Dividend paid	2.16	-	NA	-	-	NA	2.16	NA
	Others*	-	-	NA	-	-	NA	-	NA
	Others*	2.51	-	NA	11.99	0.70	NA	19.22	3.42
	Total	59.64	-	-	164.83	181.64	260.65	229.19	260.67

* For detailed breakup, please refer note no. 45

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(f)(ii)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Loans to Related Parties		
1 Aggregate value of loans sanctioned to related parties during the year	-	-
2 Aggregate value of outstanding loans to related parties as on 31 March 2026	-	-
3 Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31 March 2026 (in %)	-	-
4 Aggregate value of outstanding loans to related parties which are categorized as:		
(i) Special Mention Accounts as on 31 March 2026	-	-
(ii) Non-Performing Assets as on 31 March 2026	-	-
5 Amount of provisions held in respect of loans to related parties as on 31 March 2026	-	-
B. Contracts and Arrangements involving Related Parties*		
6 Aggregate value of contracts and arrangements awarded to related parties during the year	25.66	18.54
7 Aggregate value of outstanding contracts and arrangements involving related parties as on 31 March 2026	6.14	3.63

* Include transactions incurred during the year. For a detailed breakup, please refer to note no. 45.

(g) Registration obtained from financial sector regulators

Regulator	Registration no.	Date of registration/renewal
1 Ministry of Corporate Affairs	L51504PN1978PLC209007	18 December 1978
2 Insurance Regulatory and Development Authority	CA0154 (Composite)	5 March 2025
3 Reserve Bank of India (NBFC-ICC)	N-13.02424	22 March 2022
4 Reserve Bank of India (Factoring Business)	N-13.02546	13 January 2026

(h) Details of penalties and strictures imposed by RBI and other regulators

During the year ended 31 March 2026, no penalties and strictures have been imposed by RBI and other regulators on the Company.

During the year ended 31 March 2025, RBI levied a penalty of ₹ 0.10 crores relating to Fair Practices Code for NBFCs.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(i) Details of Ratings assigned by credit rating agencies and migration of ratings during the year

Nature	Date of rating assigned #	Rating assigned	Previous rating assigned
1 Secured debentures	20-Mar-26	CRISIL AAA	CRISIL AAA
	20-Mar-26	CARE AAA	CARE AAA
	13-Feb-26	BWR AAA	BWR AAA
	07-May-25	ACUITE AAA	ACUITE AAA
2 Subordinated debentures	20-Mar-26	CRISIL AAA	CRISIL AAA
	20-Mar-26	CARE AAA	CARE AAA
	13-Feb-26	BWR AAA	BWR AAA
	07-May-25	ACUITE AAA	ACUITE AAA
3 Perpetual debt instruments	20-Mar-26	CRISIL AA+	CRISIL AA+
	20-Mar-26	CARE AA+	CARE AA+
4 Market linked debentures	20-Mar-26	CARE PP-MLD AAA	CARE PP-MLD AAA
5 Commercial papers	20-Mar-26	CRISIL A1+	CRISIL A1+
	20-Mar-26	CARE A1+	CARE A1+
6 Bank facility	20-Mar-26	CRISIL AAA/A1+	CRISIL AAA/A1+
	20-Mar-26	CARE AAA/A1+	CARE AAA/A1+

#Date of rating assigned relates to rating valid on 31 March 2026

j) Remuneration of non-executive Directors

Refer note: 45 for detailed disclosure of related party transactions

Name of directors	Nature of payment	Year ended 31 March 2026	Year ended 31 March 2025
1 Mr. Adar Cyrus Poonawalla	Sitting fees	0.04	0.08
2 Mr. Bontha Prasada Rao	Sitting fees	0.13	0.24
	Commission	0.35	0.50
3 Mr. Prabhakar Dalal	Sitting fees	0.26	0.33
	Commission	0.50	0.50
4 Mr. Sajid Fazalbhoy	Sitting fees	-	0.02
5 Mr. Amar Sudhakar Deshpande	Sitting fees	-	0.22
6 Mr. Sanjay Kumar	Sitting fees	0.21	0.27
	Commission	0.50	0.50
7 Mr. Atul Kumar Gupta	Sitting fees	-	0.26
8 Ms. Kemisha Soni	Sitting fees	0.27	0.24
	Commission	0.50	0.50
9 Ms. Sonal Sanjay Modi	Sitting fees	0.40	0.24
	Commission	0.50	0.31
10 Mr. Kewal Kundanlal Handa	Sitting fees	0.15	0.08
	Commission	0.50	0.25
11 Mr. Rajeev Sardana	Sitting fees	0.17	0.04
	Commission	0.50	0.14

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(k) Loans to directors, senior officers and relatives of directors

Particulars	Loans	Contracts	Total
Year ended 31 March 2026			
Directors and their relatives	-	-	-
Entities associated with directors and their relatives	-	-	-
Senior officers and their relatives	-	-	-
Year ended 31 March 2025			
Directors and their relatives	-	-	-
Entities associated with directors and their relatives	-	-	-
Senior officers and their relatives	-	-	-

(l) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in the Statement of profit and loss	Year ended 31 March 2026	Year ended 31 March 2025
Under "Impairment on financial instruments"		
1 Provision for stage 1 and 2	(166.77)	(259.60)
2 Provision for stage 3	303.38	436.73
3 Other provisions	(7.42)	1.14
Under "Tax expenses"		
Provision made towards income tax (includes deferred tax)	181.80	(37.06)
Under "Employee benefit expenses"		
Provision for compensated absences	9.67	5.45

(m) Concentration of Advances, Exposures and NPAs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1 Concentration of advances		
Total advances to twenty largest borrowers	4,191.74	2,583.43
Percentage of advances to twenty largest borrowers to total advances	7.4%	7.7%
2 Concentration of exposures		
Total exposure to twenty largest borrowers/customers	4,191.74	2,583.43
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	7.4%	7.7%
3 Concentration of NPAs		
Total exposure to top four NPA accounts	33.58	61.84

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

4 Sector-wise NPAs (Percentage of NPAs to Total Advances in that sector)

Sr.No.	Sector	Year ended 31 March 2026	Year ended 31 March 2025
1	Agriculture and allied activities	-	7.47%
2	MSME	1.51%	0.81%
3	Corporate borrowers	0.53%	0.89%
4	Services	0.38%	0.85%
5	Other retail loans	1.47%	3.04%
6	Auto loans	4.22%	3.21%
7	Other personal loans (housing loans)	3.36%	2.53%

5 Sectoral Exposure

Particulars	As at 31 March 2026			As at 31 March 2025		
	Total Exposure	Gross NPAs	% of Gross NPAs to total exposure in that sector	Total Exposure	Gross NPAs	% of Gross NPAs to total exposure in that sector
1. Agriculture & Allied Activities	-	-	-	2.32	0.17	7.47%
2. Industry	15,105.98	212.50	1.41%	9,618.84	78.61	0.82%
a) Food processing	1,949.08	61.52	3.16%	1,158.51	15.67	1.35%
b) Textiles	1,811.06	20.50	1.13%	1,173.71	9.69	0.83%
c) Engineering	1,023.48	3.19	0.31%	752.02	2.76	0.37%
d) Other industries	10,322.36	127.29	1.23%	6,534.59	50.49	0.77%
3. Services	15,148.69	56.86	0.38%	9,025.19	76.89	0.85%
a) Professional Services	1,210.89	5.10	0.42%	565.50	0.61	0.11%
b) NBFCs	5,753.73	13.64	0.24%	4,730.38	48.85	1.03%
c) Other services	8,184.07	38.12	0.47%	3,729.31	27.43	0.74%
4. Personal Loans	26,535.72	549.02	2.07%	14,991.02	462.98	3.09%
a) Vehicle	5,726.92	241.62	4.22%	4,667.29	150.02	3.21%
b) Gold Loans	1,299.17	0.57	0.04%	-	-	-
c) Other personal loans	19,509.63	306.83	1.57%	10,323.73	312.96	3.03%
5. Others	-	-	-	-	-	-
Total (1+2+3+4+5)	56,790.39	818.38	1.44%	33,637.37	618.65	1.84%

This disclosure is based on the sectoral return submitted to the RBI and represents sector-wise exposures of on-balance sheet items.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(n) Movement of NPAs

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
i) Net NPAs to Net Advances (%)	0.74%	0.85%
ii) Movement of NPAs (Gross)		
a) Opening balance	618.65	268.45
b) Additions during the year	757.44	613.90
c) Reductions during the year	557.71	263.70
d) Closing balance	818.38	618.65
iii) Movement of Net NPAs		
a) Opening balance	281.66	135.85
b) Additions during the year	383.10	279.15
c) Reductions during the year	247.38	133.34
d) Closing balance	417.38	281.66
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	336.99	132.60
b) Provisions made during the year	376.60	335.24
c) Write-off/write-back of excess provisions	312.59	130.85
d) Closing balance	401.00	336.99

The movement in gross NPA disclosure excludes newly classified NPA loan accounts that were written off during the year.

(o) Overseas Assets and off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

1 Overseas assets

The Company does not have any overseas assets as at 31 March 2026 and 31 March 2025.

2 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any exposure to off balance sheet SPVs sponsored as at 31 March 2026 and 31 March 2025.

(p) Disclosure of complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
	Complaints received by the NBFC from its customers	19,871	2,901
1	Number of complaints pending at beginning of the year	387	57
2	Number of complaints received during the year	19,871	2,901
3	Number of complaints disposed during the year	18,108	2,571
3.1	Of which, number of complaints rejected by the NBFC	12,811	1,025
4	Number of complaints pending at the end of the year	2,150	387
	Maintainable complaints received by the NBFC from Office of Ombudsman		

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Sr. No	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
5	* Number of maintainable complaints received by the NBFC from Office of Ombudsman	1,424	140
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	1,324	140
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	99	2
5.3	Of 5, number of complaints resolved after passing of awards by Office of Ombudsman against the NBFC	1	-
6	* Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021.

2) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Year ended 31 March 2026					
Impolite behaviour	176	8220	959%	633	-
CIBIL related	25	1818	322%	295	-
Calling related/payment follow-up related	43	1586	471%	141	-
Bureau updation - Alliance Partner	2	1513	18813%	530	-
Payment follow-up	4	838	5886%	66	-
Total	250	13975		1665	-
Year ended 31 March 2025					
Impolite behaviour	11	776	450%	176	-
CIBIL related	8	431	(60%)	25	-
Calling related/payment follow-up related	-	278	100%	43	-
Dispute in bounce, penal & other charges	2	246	130%	10	-
Misrepresentation of information	6	161	58%	18	-
Total	27	1892		272	-

(q) Disclosures as required by the Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

During the year ended 31 March 2026, 41 frauds (31 March 2025: 53 frauds) have been identified by management aggregating to ₹ 4.70 crores (31 March 2025: ₹ 1.59 crores) by the employees, customers or third party and have been reported to RBI.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(r) Liquidity Coverage Ratio (LCR) disclosures and Public disclosure on liquidity risk

1 Liquidity Coverage Ratio (LCR) disclosures

Qualitative disclosure

Liquidity Coverage Ratio (LCR) is a tool for measuring and promoting short term resilience of the Company to potential liquidity disruptions by ensuring maintenance of sufficient unencumbered high quality liquid assets (HQLAs) to survive at severe stress scenario lasting for 30 calendar days. Reserve Bank of India (RBI) introduced the LCR requirement for all deposit-taking NBFCs and non-deposit taking NBFCs with an asset size of ₹ 5,000 crore and above. The ratio comprises of HQLAs as numerator and net cash outflows in next 30 calendar days as denominator.

HQLA computation consist of two parts i.e.

- (i) Assets to be included as HQLA without any haircut i.e. cash, government securities, etc. and
- (ii) Assets to be considered for HQLA with haircuts (ranging 15% to 50%) which comprises of investments in highly rated non-financial corporate bonds and listed equity investments which are considered at prescribed haircuts.

The average HQLA for the quarter ended 31 March 2026 amounted to ₹ 1,979.21 crores (for the quarter ended 31 March 2025: ₹ 1,609.08 crores), comprising of ₹ 162.76 crores (for the quarter ended 31 March 2025: ₹ 53.10 crores) in cash in hand and bank balances, ₹ 683.70 crores (for the quarter ended 31 March 2025: ₹ 380.06 crores) in T-bills, Nil (for the quarter ended 31 March 2025: ₹ 125.22 crores) in Government Securities and ₹ 1,132.75 crores (for the quarter ended 31 March 2025: ₹ 1,050.70 crores) in Repo instruments (CROMS).

In order to determine net cash outflows, the Company considers total expected cash outflow minus total expected cash inflows for the subsequent 30 calendar days. As per regulations, stressed cash flows is computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Net cash outflow over next 30 days is computed as stressed outflows less minimum of stressed inflows or 75% of stressed outflow. Accordingly, LCR would be computed by dividing Company's stock of HQLA by its total net cash outflow.

The LCR requirement has been inducted in a phased manner with Company required to maintain minimum LCR of 50% from December 1, 2020 eventually increasing to 100% by December 1, 2024. The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold for all the quarters during the current financial year. The Company has maintained an average LCR of 180.79% for the quarter ended 31 March 2026 (for the quarter ended 31 March 2025: 126.33%) as against minimum regulatory requirement of 100 % (31 March 2025: 100%). The Company has maintained average HQLAs of ₹ 1,979.21 crores for the quarter ended 31 March 2026 (for the quarter ended 31 March 2025: ₹ 1,609.08 crores).

Apart from LCR, the Company also uses various liquidity indicators to measure the liquidity risk in terms of funding stability, concentration risk i.e. concentration by significant counter-parties and concentration by significant instruments/product, stock ratios etc.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

The Company has adopted the liquidity risk framework as required under RBI regulations. The Board of Directors have delegated responsibility of balance sheet Liquidity Risk Management to the Asset Liability Committee (ALCO). ALCO reviews asset liability management (ALM) and ensures that there are no excessive concentration of either assets or liability side of the balance sheet. Liquidity risk is managed in accordance with ALM policy. The same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements of the Company.

Year ended 31 March 2026

	Quarter ended 30 June 2025		Quarter ended 30 September 2025		Quarter ended 31 December 2025		Quarter ended 31 March 2026	
	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#
High Quality Liquid Assets (HQLA)								
Total High Quality Liquid Assets	1,342.58	1,342.58	1,331.61	1,331.61	1,196.67	1,196.67	1,979.21	1,979.21
Cash Outflows								
Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
Unsecured wholesale funding	1,368.41	1,573.67	1,131.96	1,301.75	932.28	1,072.13	1,294.44	1,488.61
Secured wholesale funding	1,262.96	1,452.41	1,067.74	1,227.90	670.52	771.09	1,247.81	1,434.99
Additional requirements, of which	-	-	-	-	-	-		
i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	434.65	499.84	489.52	562.95	474.01	545.11	553.22	636.20
Other contingent funding obligations	530.40	609.96	584.99	672.74	593.44	682.46	712.41	819.27
Total Cash Outflows	3,596.42	4,135.88	3,274.21	3,765.34	2,670.25	3,070.79	3,807.88	4,379.07
Cash Inflows								
Secured lending^	5,291.89	3,968.92	4,600.50	3,450.38	6,373.38	4,780.03	5,477.90	4,108.42
Inflows from fully performing exposures	1,975.97	1,481.98	2,224.80	1,668.60	2,469.39	1,852.04	2,728.46	2,046.35
Other cash inflows	87.22	65.42	109.13	81.85	90.25	67.69	94.63	70.97
Total Cash Inflows	7,355.08	5,516.32	6,934.43	5,200.83	8,933.02	6,699.76	8,300.99	6,225.74
Total HQLA		1,342.58		1,331.61		1,196.67		1,979.21
Total Net Cash Outflows		1,033.97		941.34		767.70		1,094.77
Liquidity Coverage Ratio (%)		129.85%		141.46%		155.88%		180.79%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

#Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow wherever applicable.

^Includes unutilized bank lines

**The average HQLA for the quarter ended 31 March 2026 amounted to ₹ 1,979.21 crores, comprising ₹ 162.76 crores in cash in hand and bank balances, ₹ 683.70 crores in T-bills and ₹ 1,132.75 crores in Repo instruments (CROMS).

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Year ended 31 March 2025

	Quarter ended 30 June 2024		Quarter ended 30 September 2024		Quarter ended 31 December 2024		Quarter ended 31 March 2025	
	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#	Total unweighted value (average)*	Total weighted value (average)#
High Quality Liquid Assets (HQLA)								
Total High Quality Liquid Assets	984.17	984.17	1,388.40	1,388.40	1,297.05	1,297.05	1,609.08	1,609.08
Cash Outflows								
Unsecured wholesale funding	944.51	1,086.18	1,234.35	1,419.50	1,239.84	1,425.81	1,551.39	1,784.10
Secured wholesale funding	1,686.33	1,939.28	1,726.16	1,985.09	1,839.80	2,115.77	2,097.86	2,412.53
Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
Other contractual funding obligations	313.75	360.81	292.96	336.89	313.25	360.23	324.36	373.01
Other contingent funding obligations	-	-	-	-	598.30	688.05	456.68	525.19
Total Cash Outflows	2,944.59	3,386.27	3,253.47	3,741.48	3,991.19	4,589.86	4,430.29	5,094.83
Cash Inflows								
Secured lending^	3,105.75	2,329.31	3,498.88	2,624.16	4,295.35	3,221.52	5,253.06	3,939.80
Inflows from fully performing exposures	1,832.75	1,374.56	1,768.66	1,326.50	1,603.71	1,202.79	1,905.83	1,429.37
Other cash inflows	156.25	117.19	180.47	135.35	102.18	76.63	71.15	53.36
Total Cash Inflows	5,094.75	3,821.06	5,448.01	4,086.01	6,001.24	4,500.94	7,230.04	5,422.53
Total HQLA	984.17		1,388.40		1,297.05		1,609.08	
Total Net Cash Outflows	846.57		935.37		1,147.46		1,273.71	
Liquidity Coverage Ratio (%)	116.25%		148.43%		113.04%		126.33%	

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values are calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow wherever applicable.

^Includes unutilized bank lines.

**The average HQLA for the quarter ended 31 March 2025 amounted to ₹ 1,609.08 crores, comprising ₹ 53.10 crores in cash in hand and bank balances, ₹ 380.06 crores in T-bills, ₹ 125.22 in Government Securities and ₹ 1,050.70 crores in Repo instruments (CROMS).

2 Public disclosure on liquidity risk

Year ended 31 March 2026

1) Funding concentration based on significant counterparty (both deposits and borrowings)

Number of significant counterparties	Amount	% of total deposits	% of total liabilities
23	39,785.50	Not applicable	79.69%

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

2) Top 20 large deposits (amount and % of total deposits)

- Not applicable

3) Top 10 borrowings (amount and % of total borrowings)

Amount	% of total borrowings
30,668.01	63.76%

4) Funding Concentration based on significant instrument/product

Sr.No.	Name of the instrument/product	Amount	% of total liabilities
1	Term loans (Including ECB)	26,437.52	52.96%
2	Non convertible debentures	14,790.18	29.63%
3	Working capital (Cash credit & WCDL)	3,379.56	6.77%
4	Commercial paper	3,116.05	6.24%

5) Stock ratios:

Particulars	Ratios
a) Commercial paper as a % of total public funds	6.48%
Commercial paper as a % of total liabilities	6.24%
Commercial paper as a % of total assets	5.17%
b) Non convertible debentures (original maturity of less than 1 year) as a % of total public funds	Nil
Non convertible debentures (original maturity of less than 1 year) as a % of total liabilities	Nil
Non convertible debentures (original maturity of less than 1 year) as a % of total assets	Nil
c) Other short-term liabilities as a % of total public funds	33.27%
Other short-term liabilities as a % of total liabilities	32.05%
Other short-term liabilities as a % of total assets	26.57%

Other short term liabilities include all contractual obligation payable within a period of 1 year excluding commercial paper.

6) Institutional set-up for liquidity risk management

Board constituted Asset Liability Committee (ALCO) reviews Asset Liability Management (ALM). It also ensures that there are no excessive concentration of either assets or liability side of the balance sheet.

ALM is monitored as a regular process and necessary steps are taken wherever required. Company also maintains sufficient liquidity buffer through credit lines and other means to meet its liability when they are due, under both normal and stressed conditions in a timely manner. Maturity profile of financial assets and financial liabilities is assessed along with borrowing and business and as a part of review of liquidity position.

The Company has obtained fund and non-fund based working capital lines and term loans from various banks and financial institutions. Further, the Company has access to funds from debt markets through non-convertible debentures and other debt instruments. Cash credit/WCDL limits are renewed on annual basis and are therefore revolving in nature. The Company also manages liquidity by raising funds through Securitisation/ assignment transactions.

Liquidity risk is managed in accordance with ALM policy. Same is reviewed periodically to incorporate regulatory changes, economic scenario and business requirements.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Year ended 31 March 2025

1) Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of significant counterparties	Amount	% of total deposits	% of total liabilities
21	23,333.86	Not Applicable	86.89%

2) Top 20 large deposits (amount and % of total deposits)

- Not applicable

3) Top 10 borrowings (amount and % of total borrowings)

Amount	% of total borrowings
18,145.88	70.11%

4) Funding Concentration based on significant instrument/product

S.No	Name of the instrument/product	Amount	% of total liabilities
1	Non convertible debentures	1,663.99	6.20%
2	Term loans	13,993.19	52.11%
3	Working capital (Cash credit & WCDL)	5,607.67	20.88%
4	Commercial paper	4,378.11	16.30%
5	Subordinate debt & perpetual debt	237.59	0.88%

5) Stock Ratios:

Particulars	Ratios
a) Commercial paper as a % of total public funds	16.92%
Commercial paper as a % of total liabilities	16.30%
Commercial paper as a % of total assets	12.52%
b) Non convertible debentures (original maturity of less than 1 year) as a % of total public funds	Nil
Non convertible debentures (original maturity of less than 1 year) as a % of total liabilities	Nil
Non convertible debentures (original maturity of less than 1 year) as a % of total assets	Nil
c) Other short-term liabilities as a % of total public funds	39.98%
Other short-term liabilities as a % of total liabilities	38.53%
Other short-term liabilities as a % of total assets	29.58%

Other short term liabilities include all contractual obligation payable within a period of 1 year excluding commercial paper.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(s) Comparison between provisions required under IRACP and impairment allowances made under IND AS 109

Year ended 31 March 2026

Asset classification as per RBI norms (1)	Asset classification as per Ind AS 109 (2)	Gross carrying amount as per Ind AS (3)	Loss allowances (provisions) as required under Ind AS 109 (4)	Net carrying amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Performing Assets						
Standard	Stage 1	55,388.02	327.12	55,060.90	218.35	108.77
	Stage 2	583.99	110.78	473.21	3.37	107.41
Subtotal		55,972.01	437.90	55,534.11	221.72	216.18
Non-Performing Assets						
Substandard	Stage 3	766.44	377.62	388.82	76.64	300.98
Subtotal		766.44	377.62	388.82	76.64	300.98
Doubtful						
upto 1 year	Stage 3	50.76	22.34	28.42	19.88	2.46
1 to 3 years	Stage 3	0.88	0.74	0.14	0.62	0.12
More than 3 years	Stage 3	0.30	0.30	-	0.29	0.01
Subtotal		51.94	23.38	28.56	20.79	2.59
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		818.38	401.00	417.38	97.43	303.57
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms#	Stage 1	761.64	2.10	759.54	-	2.10
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		761.64	2.10	759.54	-	2.10
Total	Stage 1	56,149.66	329.22	55,820.44	218.35	110.87
	Stage 2	583.99	110.78	473.21	3.37	107.41
	Stage 3	818.38	401.00	417.39	97.43	303.57
	Total	57,552.03	841.00	56,711.04	319.15	521.85

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

Year ended 31 March 2025

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross carrying amount as per Ind AS (3)	Loss allowances (provisions) as required under Ind AS 109 (4)	Net carrying amount (5=3-4)	Provisions required as per IRACP norms (6)*	Difference between Ind AS 109 provisions and IRACP norms (7=4-6)
Performing Assets						
Standard	Stage 1	32,395.19	434.97	31,960.22	129.83	305.14
	Stage 2	623.53	170.45	453.08	4.44	166.01
Subtotal		33,018.72	605.42	32,413.30	134.27	471.15
Non-Performing Assets						
Substandard	Stage 3	613.76	334.32	279.44	61.38	272.94
Subtotal		613.76	334.32	279.44	61.38	272.94
Doubtful						
upto 1 year	Stage 3	4.65	2.56	2.09	2.23	0.33
1 to 3 years	Stage 3	0.24	0.11	0.13	0.10	0.01
Subtotal		4.89	2.67	2.22	2.33	0.34
Loss	Stage 3			-		-
Subtotal for NPA		618.65	336.99	281.66	63.71	273.28
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms #	Stage 1	515.30	1.25	514.05	-	1.25
	Stage 2	0.83	0.11	0.72	-	0.11
	Stage 3	-	-	-	-	-
Subtotal		516.13	1.36	514.77	-	1.36
Total	Stage 1	32,910.49	436.22	32,474.27	129.83	306.39
	Stage 2	624.36	170.56	453.80	4.44	166.12
	Stage 3	618.65	336.99	281.66	63.71	273.28
	Total	34,153.50	943.77	33,209.73	197.98	745.79

*Includes interest reversal on Stage 3 assets

#Loss allowance of ₹ 2.10 crores (31 March 2025: ₹ 1.36 crores) on undrawn loan commitments has been included under "Provisions".

The restructured assets have been provided for accordingly under Ind AS, subject to minimum provisioning requirement as per RBI guidelines.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(t) Detail of restructured advances

As at 31 March 2026

		Under SME debt restructuring mechanism				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2025	No of borrowers	29	-	-	-	29
	Amount outstanding	0.51	-	-	-	0.51
	Provision thereon	0.04	-	-	-	0.04
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(2)	2	-	-	-
	Amount outstanding	(0.00)	0.00	-	-	-
	Provision thereon	(0.00)	0.00	-	-	-
Write-offs/settlements/ recoveries of restructured accounts during the year	No of borrowers	(20)	-	-	-	(20)
	Amount outstanding	(0.47)	-	-	-	(0.47)
	Provision thereon	(0.03)	-	-	-	(0.03)
Restructured accounts as on 31 March 2026	No of borrowers	7.00	2	-	-	9
	Amount outstanding	0.04	0.00	-	-	0.04
	Provision thereon	0.01	0.00	-	-	0.01

Amount of movement in respective blocks includes recovery made during the year

		Others				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2025	No of borrowers	601	51	-	-	652
	Amount outstanding	20.81	3.40	-	-	24.21
	Provision thereon	2.87	3.00	-	-	5.87
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	4	(4)	-	-	-
	Amount outstanding	0.35	(0.35)	-	-	-
	Provision thereon	0.06	(0.06)	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Others				
		Standard	Sub-standard	Doubtful	Loss	Total
Downgradations of restructured accounts during the year	No of borrowers	(24)	24	-	-	-
	Amount outstanding	(1.19)	1.19	-	-	-
	Provision thereon	(0.75)	0.75	-	-	-
Write-offs/settlements/ recoveries of restructured accounts during the year	No of borrowers	(371)	(40)	-	-	(411)
	Amount outstanding	(8.26)	(2.95)	-	-	(11.21)
	Provision thereon	(0.59)	(2.85)	-	-	(3.44)
Restructured accounts as on 31 March 2026	No of borrowers	210.0	31	-	-	241
	Amount outstanding	11.71	1.29	-	-	13.00
	Provision thereon	1.59	0.84	-	-	2.43

Amount of movement in respective blocks includes recovery made during the year

		Total				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April 2025	No of borrowers	630	51	-	-	681
	Amount Outstanding	21.32	3.40	-	-	24.72
	Provision thereon	2.91	3.00	-	-	5.91
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	4	(4)	-	-	-
	Amount Outstanding	0.35	(0.35)	-	-	-
	Provision thereon	0.06	(0.06)	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(26)	26	-	-	-
	Amount Outstanding	(1.19)	1.19	-	-	-
	Provision thereon	(0.75)	0.75	-	-	-
"Write-offs/Settlements/ Recoveries of restructured accounts during the year"	No of borrowers	(391)	(40)	-	-	(431)
	Amount Outstanding	(8.72)	(2.95)	-	-	(11.67)
	Provision thereon	(0.63)	(2.85)	-	-	(3.48)
Restructured Accounts as on 31 March 2026	No of borrowers	217	33	-	-	250
	Amount Outstanding	11.76	1.29	-	-	13.05
	Provision thereon	1.59	0.84	-	-	2.43

Amount of movement in respective blocks includes recovery made during the year

The above disclosure includes one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.B C/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

As at 31 March 2025

		Under SME debt restructuring mechanism				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2024	No of borrowers	174	70	8	-	252
	Amount outstanding	2.97	0.87	0.06	-	3.90
	Provision thereon	0.31	0.48	0.04	-	0.83
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	1	(1)	-	-	-
	Amount outstanding	0.02	(0.02)	-	-	-
	Provision thereon	-	-	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Write-offs/settlements/ recoveries of restructured accounts during the year	No of borrowers	(146)	(69)	(8)	-	(223)
	Amount outstanding	(2.48)	(0.85)	(0.06)	-	(3.39)
	Provision thereon	(0.27)	(0.48)	(0.04)	-	(0.79)
Restructured accounts as on 31 March 2025	No of borrowers	29	-	-	-	29
	Amount outstanding	0.51	-	-	-	0.51
	Provision thereon	0.04	-	-	-	0.04

Amount of movement in respective blocks includes recovery made during the year

		Others				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured Accounts as on 1 April 2024	No of borrowers	1,183	239	6	-	1,428
	Amount Outstanding	42.77	8.51	0.58	-	51.86
	Provision thereon	4.95	3.11	0.51	-	8.57
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	4	(4)	-	-	-
	Amount Outstanding	0.25	(0.25)	-	-	-
	Provision thereon	0.03	(0.03)	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

		Others				
		Standard	Sub-standard	Doubtful	Loss	Total
Downgradations of restructured accounts during the year	No of borrowers	(48)	48	-	-	-
	Amount Outstanding	(3.33)	3.33	-	-	-
	Provision thereon	(2.97)	2.97	-	-	-
Write-offs/Settlements/ Recoveries of restructured accounts during the year	No of borrowers	(538)	(232)	(6)	-	(776)
	Amount Outstanding	(18.88)	(8.19)	(0.58)	-	(27.65)
	Provision thereon	0.86	(3.05)	(0.51)	-	(2.70)
Restructured Accounts as on 31 March 2025	No of borrowers	601	51	-	-	652
	Amount Outstanding	20.81	3.40	-	-	24.21
	Provision thereon	2.87	3.00	-	-	5.87

Amount of movement in respective blocks includes recovery made during the year

		Total				
		Standard	Sub-standard	Doubtful	Loss	Total
Restructured accounts as on 1 April 2024	No of borrowers	1,357	309	14	-	1,680
	Amount outstanding	45.74	9.38	0.64	-	55.76
	Provision thereon	5.26	3.59	0.55	-	9.40
Fresh restructuring during the year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Upgradations to restructured standard category during the year	No of borrowers	5	(5)	-	-	-
	Amount outstanding	0.27	(0.27)	-	-	-
	Provision thereon	0.03	(0.03)	-	-	-
Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of year	No of borrowers	-	-	-	-	-
	Amount outstanding	-	-	-	-	-
	Provision thereon	-	-	-	-	-
Downgradations of restructured accounts during the year	No of borrowers	(48)	48	-	-	-
	Amount outstanding	(3.33)	3.33	-	-	-
	Provision thereon	(2.97)	2.97	-	-	-
Write-offs/settlements/ recoveries of restructured accounts during the year	No of borrowers	(684)	(301)	(14)	-	(999)
	Amount outstanding	(21.36)	(9.04)	(0.64)	-	(31.04)
	Provision thereon	0.59	(3.53)	(0.55)	-	(3.49)
Restructured accounts as on 31 March 2025	No of borrowers	630	51	-	-	681
	Amount outstanding	21.32	3.40	-	-	24.72
	Provision thereon	2.91	3.00	-	-	5.91

Amount of movement in respective blocks includes recovery made during the year

The above disclosure includes one-time restructuring implemented as prescribed in the notification no. RBI/2020-21/16 DOR.NO.BP.B C/3/21.04.048/2020-21 Resolution Framework for COVID-19-related Stress and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(u) Disclosure pursuant to Reserve Bank of India notification RBI/2018-19/100 DBR.No.BP.BC/18/21.04.048/2018-19 dated 01 January 2019 pertaining to Micro, Small and Medium Enterprises (MSME) Sector-Restructuring of Advances

Particulars	31 March 2026	31 March 2025
No of accounts restructured	-	-
Amount	-	-

(v) Details of resolution framework for COVID-19- related stress as per RBI notification no. DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 and DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020.

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of 30 September 2025	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of 31 March 2026
Personal loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	11.88	0.57	1.01	1.48	8.82
Total	11.88	0.57	1.01	1.48	8.82

	(A)	(B)	(C)	(D)	(E)
Type of borrower	(A) Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of 31 March 2025	(B) Of (A), aggregate debt that slipped into NPA during the half-year	(C) Of (A) amount written off during the half-year	(D) Of (A) amount paid by the borrowers during the half-year #	Exposure to accounts classified as standard consequent to implementation of resolution plan – position as at the end of 30 September 2025
Personal loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
MSMEs	-	-	-	-	-
Others	16.93	1.34	0.99	2.72	11.88
Total	16.93	1.34	0.99	2.72	11.88

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

#Includes interest accrued during the period.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(w) Disclosure on transfer of loan exposures

(a) Details of transfer through assignment in respect of loans not in default during the year

Particulars	31 March 2026		31 March 2025	
Count of loan accounts assigned	1,84,981		79,429	
Amount of loan accounts assigned (₹ in crores)	3,869.22		1,731.40	
Retention of beneficial economic interest (MRR)	10%		10%	
Weighted average maturity (Residual Maturity) (in months)	92		28	
Weighted average holding period (in months)	15		9	
Coverage of tangible security	51%		14%	
Rating wise distribution of rated loans	Unrated		Unrated	

(b) Details of acquired through assignment in respect of loans not in default during the year ended 31 March 2026 and 31 March 2025

Particulars	31 March 2026		31 March 2025	
	Secured	Unsecured	Secured	Unsecured
Amount of loan accounts acquired (₹ in crores)	NIL		NIL	
Weighted average maturity (in months)*				
Weighted average holding period (in months)				
Retention of beneficial economic interest**				
Coverage of tangible security				
Rating-wise distribution of rated loans				

* At the time of acquisition

** Retained by the originator

(c) For securitisation related disclosures, please refer note 55(x)

(d) Details of stressed loans transferred during the year

Particulars	Year ended 31 March 2026			Year ended 31 March 2025		
	To ARCs*	To permitted transferees	To other transferees	To ARCs*	To permitted transferees	To other transferees
Count of accounts	20,823	-	-	24,787	-	-
Aggregate principal outstanding of loans transferred (₹ in crores)	402.93	-	-	344.48	-	-
Weighted average residual tenor of the loans transferred (in months)	35	-	-	19	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crores)	205.68	-	-	112.16	-	-
Aggregate consideration (₹ in crores)	144.11	-	-	75.32	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-

* In addition to above, during the year ended 31 March 2026, the Company has transferred 73,943 loan accounts (31 March 2025: 60,279) for an aggregate consideration including security receipts of ₹ 263.71 crores (31 March 2025: ₹ 93.07 crores). These loan accounts were already written off in the books before such sale transactions.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(e) Security Receipts (SRs) ratings held

Particulars	31 March 2026		31 March 2025	
	Rating Agencies	Rating	Rating Agencies	Rating
Retail June 2022 - Trust (Series I)	CRISIL	RR2	CRISIL	RR2
Retail June 2022 - Trust (Series IV)	CRISIL	RR1	CRISIL	RR1
Retail June 2022 - Trust (Series VI)	CRISIL	RR1	CRISIL	RR1
Retail May 2024 - Trust (Series I)	CRISIL	RR1	CRISIL	RR1
Retail May 2024 - Trust (Series II)	CRISIL	RR1	CRISIL	RR1
Retail March 2026 - Trust	-	Unrated		
EARC TRUSTSC - 480	India Ratings	RR2	India Ratings	RR2
Arcil-Trust-2025-012	CRISIL Ratings	RR2	-	Unrated
Arcil-Trust-2026-003	India Ratings	RR1		
Arcil-Trust-2026-004	India Ratings	RR1		
Arcil-Trust-2026-009	India Ratings	RR1		
Arcil-Trust-2026-016	India Ratings	RR2		
Arcil-Trust-2026-023	-	Unrated		
Arcil-Trust-2026-030	-	Unrated		
SHRIRAM ARC 01 (SARC - Trust 4)	Brickwork Rating	BWR RR1		

(f) Sales out of amortised cost business model portfolios

As a financing arrangement, the Company has been transferring or selling certain pools of loan receivables secured and unsecured by entering securitization/direct assignment transactions for consideration received in cash and/or security receipts. These transactions are carried out after complying with RBI guidelines on transfer of loan exposure. Besides using securitization/direct assignment as an alternate financing tool, it is also being used as an effective Balance Sheet management through better liquidity and risk management by transfer of assets. When the assets in the form of loan receivables are sold/ transferred to a Special Purpose Vehicle (SPV)/Bank through securitization/direct assignment transaction, then on a consolidated portfolio level, such sale/transfer does not change the Company's business objective of holding financial assets to collect contractual cash flows. The Company has a Board approved policy on business model assessment in place. Please refer note 2(h) for business model assessment.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(x) Disclosures relating to securitisation^

Sr. No	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1	(i) Outstanding amount of securitised assets as per books of the SPVs		
1	No. of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)**	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
3	Total amount of the exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	-	-
	Others	-	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	(i) Exposure to own securitisation		
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
5	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
9	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans, etc.	-	-
10	Investor complaints		
	(a) Directly/Indirectly received and;	-	-
	(b) Complaints outstanding	-	-

^Securitization (PTC) transaction do not meet the derecognition criteria under Ind AS and are recognized as 'on balance sheet exposures'. Accordingly income and discounting charges are included in revenue from operations and finance cost respectively. Amounts stated above are for the purpose of disclosure.

**Only the SPVs relating to outstanding securitisation exposures are reported here.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(y) (a) Loans against gold and silver collateral

Particulars	Loan outstanding		Average Ticket Size (₹ crore)	Average LTV ratio %	Gross NPA (%)
	(₹ crore)	As % of Total loans			
Opening balance as on 1 April 2025 [(a)+(b)]	-	-	-	0%	-
(a) Consumption loans	-	-	-	0%	-
of which bullet repayment loans	-	-	-	0%	-
(b) Income generating loans	-	-	-	0%	-
New loans sanctioned and disbursed during the year 2025-26 [(c)+(d)]					NA
(c) Consumption loans	1,378.79	108%	0.04	69%	NA
of which bullet repayment loans	1,377.65	108%	0.04	69%	NA
(d) Income generating loans	-	-	-	0%	NA
Renewals sanctioned and disbursed during the year 2025-26	134.43	10%	0.06	67%	NA
Top-up loans sanctioned and disbursed during the year 2025-26*	227.03	18%	0.02	72%	NA
Loans repaid during the FY [(e)+(f)]				NA	NA
(e) Consumption loans	324.95	25%	0.01	NA	NA
of which bullet repayment loans	324.95	25%	0.01	NA	NA
(f) Income generating loans	-	-	-	NA	NA
Non-Performing Loans recovered during the year 2025-26 [(g) + (h)]				NA	NA
(g) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(h) Income generating loans	-	-	-	NA	NA
Loans written off during the year 2025-26 [(i) + (j)]				NA	NA
(i) Consumption loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
Closing balance as on 31 March 2026 [(k) + (l)]**					
(k) Consumption loans	1,280.86	100%	0.04	70%	
of which bullet repayment loans	1,279.72	100%	0.04	70%	
(l) Income generating loans	-	-	-		

*Top up represents additional amount disbursed to existing customer alongwith extended tenure.

** Renewal not considered in computing closing balance as only tenure has been extended and no incremental loan amount has been disbursed to customer account.

** Closing Balance is excluding interest accrued and EIR adjustments.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(y) (b) Details of gold and silver collateral and auctions

Sr. No	Particulars	31 March 2026	31 March 2025
1	Unclaimed gold or silver collateral at the end of the financial year (in grams)	-	-
2	Number of loan accounts in which auctions were conducted	-	-
3	Total outstanding in loan accounts mentioned in (b)	-	-
4	Gold or silver collateral acquired during the FY due to default of loans (in grams)	-	-
5	Gold or silver collateral auctioned during the FY (in grams)	-	-
6	Recovery made through auctions during the FY (in ₹ crore)	-	-
7	Recovery percentage:	-	-
8	as % of value of gold or silver collateral	-	-
9	as % of outstanding loan	-	-

(y) (c) Disclosure of gold loan portfolio

Particulars	As at 31 March 2026	As at 31 March 2025
Gold loans granted against collateral of gold jewellery	1,299.17	-
Total loan assets	56,790.39	-
Percentage of gold loans to total loan assets	2.29%	-

(z) There are NIL cases of breach of covenants of loan availed or debt securities issued during the year ended 31st March 2026 [31st March 2025: Nil].

(aa) There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

(ab) The details related to risk management policy and corporate governance are disclosed under Board's Report and Management Discussion and Analysis section of the Annual Report.

(ac) Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2025 and for the year ended 31 March 2024.

(ad) Draw Down from Reserves

There was no draw down from reserves during the year ended 31 March 2026 and 31 March 2025.

(ae) Disclosure on Project Finance

No exposure as on 31 March 2026 and 31 March 2025.

(af) Non-Fund Based (NFB) Credit Facilities

No exposure as on 31 March 2026 and 31 March 2025.

(ag) Disclosures on Co-Lending Arrangements

Company has not entered new co-lending arrangements during the year ended 31 March 2026.

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 DISCLOSURES AS REQUIRED UNDER RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANIES – FINANCIAL STATEMENTS: PRESENTATION AND DISCLOSURES) DIRECTIONS, 2025 AND OTHER RELEVANT RBI NOTIFICATIONS* (Contd.)

* Amounts included herein are based on current and previous year financials, as per Ind AS.

(ah) Credit default Swaps

No exposure as on 31 March 2026 and 31 March 2025.

(ai) Currency futures

No exposure as on 31 March 2026 and 31 March 2025.

(aj) Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year profit or loss.

(ak) The Company has consolidated the financial statements of its joint venture operating in India. Refer note 18 for details.

56 SUBSEQUENT EVENT

Subsequent to the balance sheet date, the Company completed a Qualified Institutions Placement ("QIP") on 13 April 2026 by issuing 67,430,883 equity shares, having face value of ₹ 2 each, at an issue price of ₹ 370.75 per share, aggregating to ₹ 2,500.00 crores, in compliance with provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (ICDR) Regulations. As the QIP was completed after the reporting period, it has been treated as a non-adjusting event and no impact has been made to the standalone financial statement for the year ended 31 March 2026.

57 Figures of previous year have been regrouped/reclassified, wherever necessary, to make them comparable with current year.

As per our report of even date

For and on behalf of the Board of Directors of Poonawalla Fincorp Limited

For MSKA and Associates LLP
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/
W101187

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sunil Samdani
Executive Director
(DIN: 10301175)

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Vikram Dhanania
Partner
Membership No: 060568

Sandeep D. Welling
Partner
Membership No: 044576

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Schedule annexed to the balance sheet

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

Disclosures as required under Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 and other relevant RBI notifications*

Sr. No	Particulars	Amount outstanding as at 31 March 2026	Amount overdue as at 31 March 2026
	Liabilities side		
1	Loans and advances availed by the NBFCs		
(a)	Debentures		
	- Secured	14,790.18	-
	- Unsecured	374.99	-
(b)	Deferred Credits	-	-
(c)	Term loans	23,186.00	-
(d)	External commercial borrowings (ECBs)	3,076.52	-
(e)	Inter-corporate loans and borrowing	175.00	-
(f)	Commercial paper	3,116.05	-
(g)	Public deposits	-	-
(h)	Other Loans (Cash credit/Working capital demand loans from banks)	3,379.56	-

Sr. No	Particulars	Amount outstanding as at 31 March 2026
	Assets side	
2	Break-up of loans and advances, including bills receivables (other than those included in (3) below)	
(a)	Secured	30,834.24
(b)	Unsecured	25,926.91
3	Break-up of leased assets and stock on hire and hypothecation loans counting towards AFC activities#	
(i)	Lease Assets including lease rentals under sundry debtors	29.24
(ii)	Stock on hire including hire charges under sundry debtors	-
(iii)	Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	29.24
# AFC classification has been discontinued by RBI with effect from 22 February 2019		
4	Break-up of investments	
	Current investments	
1	Quoted	
	(i) Shares (a) Equity*	0.02
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of Mutual funds	-
	(iv) Government securities	2,454.81
	(v) Others (please specify)	-
2	Unquoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of Mutual funds	1.31
	(iv) Government securities	-
	(v) Others (PTC securitites)	-

*Includes investment in joint venture reclassified as assets held for sale of ₹ 0.02 crores

Sr. No	Particulars	Amount outstanding as at 31 March 2026
	Long-term Investments	
1	Quoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-

Schedule annexed to the balance sheet

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

Sr. No	Particulars	Amount outstanding as at 31 March 2026
	(v) Others (please specify)	
	- PTC securities	-
2	Unquoted	
	(i) Shares (a) Equity	-
	(b) Preference	-
	(ii) Debentures and Bonds	-
	(iii) Units of Mutual Funds	-
	(iv) Government Securities	-
	(v) Others	-
	- Security Receipts (net of provision)	34.34

5 Borrower group-wise classification of assets financed as in (2) and (3) above*

Sr. No	Particulars	Secured	Unsecured	Total as at 31 March 2026
1	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2	Other than Related Parties	30,863.48	25,926.91	56,790.39
	Total	30,863.48	25,926.91	56,790.39

6 Investor group-wise Classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Sr. No	Particulars	Market Value/Break up or Fair Value or NAV as at 31 March 2026	Book Value (Net of Provisions) as at 31 March 2026
1	Related Parties		
	(a) Subsidiaries	-	-
	(b) Companies in the same group*	50.70	0.02
	(c) Other related parties	-	-
2	Other than Related Parties	2,490.46	2,490.46
	Total	2,541.16	2,490.48

*Investment in joint venture reclassified as assets held for sale as on 31 March 2026

7 Other information

Sr. No	Particulars	Total as at 31 March 2026
(i)	Gross Non-Performing Assets*	
	(a) Related parties	-
	(b) Other than Related parties	818.38
(ii)	Net Non-Performing Assets*	
	(a) Related parties	-
	(b) Other than Related parties	417.38
(iii)	Assets acquired in satisfaction of debt	

* Amounts included herein are based on current financials, as per Ind AS.

Sunil Samdani
Executive Director
(DIN: 10301175)

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

INDEPENDENT AUDITOR’S REPORT

To the Members of

POONAWALLA FINCORP LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have jointly audited the accompanying consolidated financial statements of **Poonawalla Fincorp Limited (hereinafter referred to as the “Company”)** and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Company and its joint venture as at 31 March 2026, its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We have jointly conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (“the ICAI”), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of the unaudited financial information of the joint venture furnished to us by the Company’s Management, referred to in paragraph (a) of the “Other Matters” section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters
Allowance on Expected credit losses (ECL) on loan assets
Indian Accounting Standard 109 - Financial Instruments ('Ind AS 109') requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events.
As at 31 March 2026, the Company has reported gross financial assets (loans) aggregating to ₹ 56,790.39 crores against which provision for expected credit loss of ₹ 838.90 crores has been recorded as at reporting date in accordance with Ind AS 109 – Financial Instruments ('Ind AS 109'). The Company has written off (net of recoveries) ₹ 974.94 crores during the current year.

How our audit addressed the key audit matter
Our audit procedures in respect of this matter included the following, but not limited to:
- Examined policies approved by the Board of Directors for computation of ECL that addresses procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company. - Tested the design and operating effectiveness of key controls over completeness and accuracy of the key inputs and assumptions considered for calculations, validation of data and monitoring of impairment loss recognised based on historical and external data. - Tested the modelling assumptions and inputs which are based on industry experience (new products) as collated by external credit bureau in line with the Company's ECL policy. While for remaining loan portfolio, since modelling assumptions and parameters are based on historical data, assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios.

Key audit matters	How our audit addressed the key audit matter
The Expected Credit Loss (ECL) is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to: - Segmentation of loan book in buckets based on common risk characteristics; - Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage - 3); - factoring in future macro-economic and industry specific estimates and forecasts; - past experience and forecast data on customer behaviour on repayments; - varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and other relevant factors using probability-weighted scenarios. The Expected Credit Loss ('ECL') is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets.	- Verified the completeness of loans included in the ECL calculations as of 31 March 2026. - Selected samples and verified appropriateness of classification of loan assets in stage 1, 2 and 3 in accordance with the policy approved by the Board of Directors. - Selected samples of exposure and verified the appropriateness of determining EAD, PD and LGD. Further, also checked the appropriateness of information used in the estimation of PD and LGD for the different stages depending on the nature of the portfolio. - Evaluated the appropriateness of the Company's determination of significant increase in credit risk in accordance with the applicable Ind AS and the basis for classification of various exposures into various stages. For a sample of exposures, also tested the appropriateness of the Company's categorization across various stages; - Obtained the management's rational for writing off the loans during the current year and tested for appropriate management approvals for the same. - Assessed the appropriateness and adequacy of the related presentation and disclosures of Note 51 "Financial risk management" disclosed in the accompanying consolidated financial statements in accordance with the applicable Ind AS and related Reserve Bank of India ('RBI') circulars.
The management has calculated the PD and LGD as follows: - For new products launched from time to time and where the Company does not have sufficient historical data to estimate PD, the Company has relied on the external benchmarking report obtained in the previous period from leading credit bureau and accordingly PD rates have been considered based on industry data sourced from the aforesaid credit bureau. - For the remaining portfolio, the Company continues to use their existing internally developed modelling techniques using historical observable data and inputs to estimate PD and LGD. Refer Note 2 of material accounting policies, Note 7 for the details of provision and Note 51 (ii) for credit risk disclosures.	
Considering the significance of the above matter to the consolidated financial statements, significant level of estimates and judgements involved in determination of ECL and write offs, this matter required our significant attention. Accordingly, we have determined Provision for Expected Credit Losses (ECL) on Loans as Key Audit Matter.	
Information Technology ("IT") Systems and Controls for accounting and financial reporting process:	Our audit procedures in respect of this matter included the following, but not limited to:
The Company is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment.	- Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls to determine the accuracy of the information produced by the Company's IT systems. - Obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment, including an understanding of the process, mapping of applications and understanding financial risks posed by people, process and technology.
Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of IT systems across varied different phases of business, the testing with respect to general computer controls of the IT systems used in financial reporting was identified to be a key audit matter.	

Independent Auditor’s Report

Key audit matters	How our audit addressed the key audit matter
The Company has a complex IT architecture to support its day-to-day business operations. High volume of transactions is processed and recorded on single or multiple applications. The reliability and security of IT systems plays a key role in the business operations of the Company. Since large volume of transactions are processed daily, IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Further, the Company's accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans amongst others. The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses several systems for its overall financial reporting. In addition to it, large transaction volumes and the increasing challenges to protect the integrity of the Company's systems and data, we have identified 'IT systems and automated controls' as key audit matter because of the high-level automation, significant number of systems being used by the management and the complexity of the IT architecture and its impact on the financial reporting system.	• Tested IT General Controls particularly, logical access, change management and aspects of IT operational controls. Tested that request for access to systems were appropriately reviewed and authorized; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization; • Performed procedures for a selected group of key controls over financial and reporting system to determine that these controls remained unchanged during the year or were changed following the standard change management process. • Tested key automated and manual business cycle controls including testing of alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the consolidated financial statements. • Tested the design and operating effectiveness of the Company's IT controls over the IT applications as identified above.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor’s report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditor’s responsibilities relating to Other Information’.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company’s Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its joint venture and for preventing and detecting frauds and other irregularities; the 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 Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its joint venture are responsible for assessing the ability of the Company and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its joint venture are responsible for overseeing the financial reporting process of each company.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the consolidated financial statements.

OTHER MATTER:

The consolidated financial statements include the Company’s share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil for the year ended 31 March 2026, as considered in the consolidated financial statements, in respect of one joint venture. This unaudited financial information has been furnished to us by the Company’s Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information/financial statements. In our opinion and

according to the information and explanations given to us by the Company’s management, these financial information/financial statements are not material to the Company.

Our opinion is not modified in respect of the above financial information certified by the Management.

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 the unaudited financial information of the joint venture referred to in the Other Matters section above, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g);

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Company as on 31 March 2026 taken on record by the Board of Directors of the Company, none of the directors of the Company are disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g);

Independent Auditor’s Report

- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Company and its joint venture, and the operating effectiveness of such controls, refer to our separate report in “Annexure B”;

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its joint venture – Refer Note 47 to the consolidated financial statements.

ii. The Company and its joint venture have made provision in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 47 to the consolidated financial statements.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company and its joint venture during the year ended 31 March 2026.

iv. The respective Managements of the Company and its joint venture have represented to us that:

a. To the best of their knowledge and belief, as disclosed in the note 54 (f) to the consolidated financial statements, 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 or any of such joint venture to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such joint venture (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. To the best of their knowledge and belief, as disclosed in the note 54 (g) to consolidated financial statements, no funds have been received by the Company or any of such joint venture from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of such joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Company’s Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Company and its joint venture has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account (managed and maintained by a third-party software service provider) which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

- Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention except for one accounting software wherein the audit trail logs have been preserved effective 26 June 2024. Refer Note 54 (j) for audit trail disclosure in the consolidated financial statements.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its respective Directors is in accordance with the provisions of this section 197 read with Schedule V to the Act. The provisions of Section 197 of the Act and the rules thereunder are not applicable to the joint venture as it is a private company.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks included in the consolidated financial statements except for the following:

Sr. No	Name of the Company	CIN	Type of Company (Holding/Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1	Poonawalla Fincorp Limited	L51504PN1978PLC209007	Company	i (c)
2	Poonawalla Fincorp Limited	L51504PN1978PLC209007	Company	xi (a)

Further, as per information and explanation given to us by the Company, the joint venture company included in the consolidated financial statements for the year ended 31 March 2026 and covered under that Act, but for which the respective reports under Section 143(11) of the Act have not yet issued by the respective statutory auditor.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No: 105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576NNDAPL8435

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No: 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568QJJSRR7913

Place: Mumbai
Date: 05 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have not been audited by other auditors, management of the Company remain responsible for the financial information included in the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31 March 2026 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576NNDAPL8435

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568QJJSRR7913

Place: Mumbai
Date: 05 May 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POONAWALLA FINCORP LIMITED

Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Poonawalla Fincorp Limited on the Consolidated Financial Statements for the year ended 31 March 2026

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

OPINION

In conjunction with our audit of the consolidated financial statements of Poonawalla Fincorp Limited (hereinafter referred to as “the Company”) as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Company and its joint venture, which are companies incorporated in India, as of that date.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is not applicable to the joint venture, which are companies incorporated in India, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

In our opinion, and to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the internal financial controls with reference to consolidated financial statements criteria 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”).

MANAGEMENT’S AND BOARD OF DIRECTOR’S RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Management and the Board of Directors of the Company, which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate

internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A Company’s internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of

the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576
UDIN: 26044576NNDAPL8435

Place: Mumbai
Date: 05 May 2026

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration No. 105047W/W101187

Vikram Dhanania
Partner
Membership No.: 060568
UDIN: 26060568QJJSRR7913

Place: Mumbai
Date: 05 May 2026

CONSOLIDATED BALANCE SHEET

as at 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Financial assets			
Cash and cash equivalents	3	286.00	24.65
Bank balances other than cash and cash equivalents	4	7.68	7.64
Derivative financial instruments	5	340.26	2.82
Receivables	6		
(i) Trade receivables		38.48	18.39
(ii) Other receivables		-	0.32
Loans	7	55,951.49	32,694.96
Investments	8	2,490.46	1,256.35
Other financial assets	9	336.44	182.19
		59,450.81	34,187.32
2 Non-financial assets			
Current tax assets (net)	10	133.38	141.51
Deferred tax assets (net)	11	72.70	205.48
Investment property	12	0.07	0.07
Property, plant and equipment	13	97.43	55.01
Intangible assets under development	14	7.01	10.43
Other intangible assets	15	26.07	16.41
Right of use assets	16	296.72	172.31
Other non-financial assets	17	136.67	105.42
		770.05	706.64
3 Assets held for sale	18	50.70	50.70
Total Assets		60,271.56	34,944.66
LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Derivative financial instruments	5	-	1.66
Payables	19		
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		0.58	1.69
- total outstanding dues of creditors other than micro enterprises and small enterprises		4.30	2.24
(ii) Other payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	0.32
Debt securities	20	14,790.18	1,663.99
Borrowings (other than debt securities)	21	32,933.13	23,978.97
Subordinated liabilities	22	374.99	237.59
Lease liabilities	23	337.50	200.69
Other financial liabilities	24	1,416.07	627.49
		49,856.75	26,714.64
2 Non-financial liabilities			
Current tax liabilities (net)	25	0.16	0.24
Provisions	26	20.07	12.67
Other non-financial liabilities	27	46.34	42.45
		66.57	55.36
EQUITY			
Equity share capital	28	161.59	154.58
Other equity	29	10,186.65	8,020.08
		10,348.24	8,174.66
Total liabilities and equity		60,271.56	34,944.66
Summary of material accounting policies	2		
Notes 1 to 57 forms an integral part of these consolidated financial statements			

This is the Consolidated Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For M S K A & Associates LLP
(Formerly known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sunil Samdani
Executive Director
(DIN: 10301175)

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Vikram Dhanania
Partner
Membership No: 060568
Place: Mumbai
Date: 05 May 2026

Sandeep D. Welling
Partner
Membership No: 044576
Place: Mumbai
Date: 05 May 2026

Shabnum Zaman
Company Secretary
Membership No: 13918
Place: Mumbai
Date: 05 May 2026

Sanjay Miranka
Chief Financial Officer
Place: Mumbai
Date: 05 May 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from operations			
Interest income	30	6,140.81	3,874.50
Rental income	31	8.51	16.86
Fees and commission income	32	419.75	192.26
Net gain on fair value changes	33	4.28	-
Net gain on derecognition of financial instruments	34a	216.83	106.14
Total revenue from operations		6,790.18	4,189.76
Other income	35	5.47	33.08
Total income		6,795.65	4,222.84
Expenses			
Finance costs	36	2,766.67	1,515.09
Net loss on fair value changes	33	-	13.72
Net loss on derecognition of financial instruments	34b	105.79	94.41
Impairment on financial instruments	37	1,104.13	1,458.17
Employee benefits expenses	38	1,017.54	636.22
Depreciation and amortisation expenses	39	94.14	65.10
Other expenses	40	983.77	575.53
Total expenses		6,072.04	4,358.24
Profit/(loss) before tax		723.61	(135.40)
Tax expense	11		
Current tax		57.34	-
Tax expense for earlier years		(0.01)	0.26
Deferred tax		124.47	(37.32)
Total tax expense		181.80	(37.06)
Profit/(loss) for the year		541.81	(98.34)
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
(i) Remeasurement of the defined benefit plans		(2.04)	(1.96)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.51	0.49
		(1.53)	(1.47)
B. Items that will be reclassified to profit or loss			
(i) Financial instruments through other comprehensive income		(0.07)	0.10
(ii) Effective portion of gain/(loss) on designated portion of hedging instruments in cash flow hedges		35.12	(16.95)
(iii) Income tax relating to items that will be reclassified to profit or loss		(8.82)	4.24
		26.23	(12.61)
Other comprehensive income (A + B + C)		24.70	(14.08)
Total comprehensive income for the year		566.51	(112.42)
Total comprehensive income for the year, attributable to			
(a) Owners of the Company		566.51	(112.42)
(b) Non-controlling interests		-	-
Total		566.51	(112.42)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Profit/(loss) for the year, attributable to			
(a) Owners of the Company		541.81	(98.34)
(b) Non-controlling interests		-	-
Total		541.81	(98.34)
Other comprehensive income for the year, attributable to			
(a) Owners of the Company		24.70	(14.08)
(b) Non-controlling interests		-	-
Total		24.70	(14.08)
Earnings per equity share (Face value of ₹ 2 each)	43		
Basic (₹)		6.84	(1.27)
Diluted (₹)		6.82	(1.27)
Summary of material accounting policies	2		
Notes 1 to 57 form an integral part of these consolidated financial statements			

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For M S K A & Associates LLP (Formerly Known as M S K A and Associates) Chartered Accountants Firm Registration No:105047W/W101187	For Kirtane & Pandit LLP Chartered Accountants Firm Registration No:105215W/W100057	Sunil Samdani Executive Director (DIN: 10301175)	Arvind Kapil Managing Director & CEO (DIN: 10429289)
Vikram Dhanania Partner Membership No: 060568	Sandeep D. Welling Partner Membership No: 044576	Shabnum Zaman Company Secretary Membership No: 13918	Sanjay Miranka Chief Financial Officer
Place: Mumbai Date: 05 May 2026	Place: Mumbai Date: 05 May 2026	Place: Mumbai Date: 05 May 2026	Place: Mumbai Date: 05 May 2026

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

A. EQUITY SHARE CAPITAL

As at 31 March 2026

	Balance as at 01 April 2025 154.58	Changes in equity share capital during the year 7.01	Balance as at 31 March 2026* 161.59
As at 31 March 2025			
	Balance as at 01 April 2024 154.11	Changes in equity share capital during the year 0.47	Balance as at 31 March 2025* 154.58

*Net of adjustment of shares held by the PFL Employee Welfare Trust ("PFL EWT") refer note no. 28

B. OTHER EQUITY

As at 31 March 2026

Particulars	Reserves and surplus						Items of other comprehensive income		Total		
	Capital reserve	Securities premium	Statutory reserves (created pursuant to section 45-1C of the Reserve Bank of India act,1934)	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings		Financial instruments through other comprehensive income	Cash flow hedge reserve
Balance as at 01 April 2025	4.80	5,538.72	926.50	14.22	131.21	(177.01)	(78.13)	1,659.65	12.80	(12.68)	8,020.08
Profit for the year	-	-	-	-	-	-	-	541.81	-	-	541.81
Other comprehensive income for the year*	-	-	-	-	-	-	-	(1.53)	(0.05)	26.28	24.70
Total comprehensive income for the year	-	-	-	-	-	-	-	540.28	(0.05)	26.28	566.51
Transfer to/(from) retained earnings	-	-	108.37	-	-	-	-	(108.37)	-	-	-
Share based payment to employees	-	62.81	-	-	48.09	-	-	-	-	-	110.90
Share issue expense	-	(1.01)	-	-	-	-	-	-	-	-	(1.01)
Share premium on preferential allotment	-	1,493.36	-	-	-	-	-	-	-	-	1,493.36
Premium on issue of non convertible debentures	-	1.64	-	-	-	-	-	-	-	-	1.64
Loss of PFL EWT for the year	-	-	-	-	-	-	(4.88)	-	-	-	(4.88)
Fair value gain on PFL EWT shares	-	-	-	-	-	(11.72)	-	-	-	-	(11.72)
Sale of shares by PFL EWT during the year	-	-	-	-	-	11.77	-	-	-	-	11.77
Balance as at 31 March 2026*	4.80	7,095.52	1,034.87	14.22	179.30	(176.96)	(83.01)	2,091.56	12.75	13.60	10,186.65

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

B. OTHER EQUITY (Contd.)

As at 31 March 2025

Particulars	Reserves and surplus							Other comprehensive income		Total	
	Capital reserve	Securities premium	Statutory reserves (created pursuant to section 45-IC of the Reserve Bank of India act,1934)	Capital redemption reserve	Share option outstanding account	Treasury shares	Trust reserve	Retained earnings	Financial instruments through other comprehensive income		Cash flow hedge reserve
Balance as at 01 April 2024	4.80	5,418.53	926.50	14.22	63.53	(186.05)	(0.75)	1,759.46	12.73	-	8,012.97
Loss for the year	-	-	-	-	-	-	-	(98.34)	-	-	(98.34)
Other comprehensive income for the year*	-	-	-	-	-	-	-	(1.47)	0.07	(12.68)	(14.08)
Total comprehensive income for the year	-	-	-	-	-	-	-	(99.81)	0.07	(12.68)	(112.42)
Share based payment to employees	-	120.27	-	-	67.68	-	-	-	-	-	187.95
Discount on issue of non convertible debentures	-	(0.08)	-	-	-	-	-	-	-	-	(0.08)
Loss of PFL EWT for the year	-	-	-	-	-	-	-	(77.38)	-	-	(77.38)
Fair value loss on PFL EWT shares	-	-	-	-	-	62.06	-	-	-	-	62.06
Purchase of shares by PFL EWT during the year	-	-	-	-	-	(53.02)	-	-	-	-	(53.02)
Balance as at 31 March 2025*	4.80	5,538.72	926.50	14.22	131.21	(177.01)	(78.13)	1,659.65	12.80	(12.68)	8,020.08

Refer note 29 for the nature and purpose of each reserves

* Amount of other comprehensive income transferred to retained earnings pertains to remeasurement of defined plans
Notes 1 to 57 forms an integral part of these consolidated financial statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For M S K A & Associates LLP
(Formerly Known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

Vikram Dhanania
Partner
Membership No: 060568
Place: Mumbai
Date: 05 May 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No: 044576
Place: Mumbai
Date: 05 May 2026

Sunil Samdani
Executive Director
(DIN: 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918
Place: Mumbai
Date: 05 May 2026

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Sanjay Miranka
Chief Financial Officer
Place: Mumbai
Date: 05 May 2026



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2026

(All amounts are in ₹ crores unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit/(loss) for the year	723.61	(135.40)
Adjustments for:		
Depreciation and amortisation expenses	94.14	65.10
Impairment on financial instruments	1,104.13	1,458.17
Net loss on fair value changes	-	13.72
Net (gain) on derecognition of lease	(0.55)	(0.28)
Net (gain)/loss on derecognition of property, plant and equipment	1.45	(6.18)
Net (gain) on derecognition of financial instruments	(216.83)	(136.10)
Net loss on derecognition of financial instruments	105.79	94.41
Expense on employee stock option scheme	69.90	108.90
Interest on lease liabilities	25.91	16.51
Operating cash flow before working capital changes	1,907.55	1,478.85
Movement in working capital:		
Adjustments for (increase)/decrease in assets:		
Bank balances other than cash and cash equivalents	(0.04)	5.72
Receivables	(13.14)	9.95
Loans	(24,504.79)	(12,178.80)
Other financial assets	134.76	189.39
Other non financial assets	(11.62)	(75.97)
Adjustments for increase/(decrease) in liabilities:		
Payables	0.63	0.88
Other financial liabilities	739.05	2.08
Provisions	7.40	2.18
Other non financial liabilities	3.89	(33.86)
Net cash (used in) operating activities before taxes	(21,736.31)	(10,599.58)
Income taxes paid (net of refunds)	(49.28)	30.15
Net cash (used in) operating activities (A)	(21,785.59)	(10,569.43)
B Cash flow from investing activities		
Purchase of property, plant and equipment	(94.39)	(28.22)
Proceeds from sale of property, plant and equipment	5.66	15.34
Purchase of other intangible assets and intangible assets under development	(12.63)	(15.10)
Sale/(Investment) by PFL Employee Welfare Trust (treasury shares)	11.82	(53.02)
Net cash outflow from PFL Employee Welfare Trust activities	(16.60)	(15.32)
Purchase of Investments (net)	(1,234.18)	(385.59)
Net cash (used in) investing activities (B)	(1,340.32)	(481.91)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
C Cash flow from financing activities		
Proceeds from issue of debt securities and subordinated liabilities	13,831.64	959.92
Repayment of debt securities and subordinated liabilities	(562.00)	(522.68)
Proceeds from borrowings - other than debt securities	16,006.40	15,077.40
Repayment of borrowings - other than debt securities	(3,861.36)	(8,781.20)
Proceeds/(repayment) of loans repayable on demand (including commercial papers) (net)	(3,490.19)	4,052.27
Interest on lease liabilities	(25.91)	(16.51)
Principal payment of lease liabilities	(51.63)	(27.91)
Proceeds from issue of equity shares including securities premium	1,540.31	79.52
Net cash generated from financing activities (C)	23,387.26	10,820.81
Net increase/(decrease) in cash and cash equivalents (A+B+C)	261.35	(230.53)
Cash and cash equivalents at the beginning of the year	24.65	255.18
Cash and cash equivalents at the end of the year	286.00	24.65

Refer Note 52 for change in liabilities arising from financing activities.

Notes 1 to 57 forms an integral part of these consolidated financial statements.

The above Consolidated Cash Flows Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS-7) on 'Statement of Cash Flows'.

This is the Consolidated Statement of Cash Flows referred to in our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For M S K A & Associates LLP
(Formerly Known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration No:105215W/
W100057

Sunil Samdani
Executive Director
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Partner
Membership No: 060568

Sandeep D. Welling
Partner
Membership No: 044576

Shabnum Zaman
Company Secretary
Membership No: 13918

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Place: Mumbai
Date: 05 May 2026

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026

NOTE 1: COMPANY OVERVIEW

Background

Poonawalla Fincorp Limited ('the Company'), having its registered office in Pune, India is a publicly held Non-Banking Finance Company engaged in providing finance through its pan India branch network.

These consolidated financial statements comprise of the Company and its joint ventures. The Company is registered as non-deposit taking ('NBFC') as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is also registered as a corporate agent under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015. Its equity shares are listed on National Stock Exchange and Bombay Stock Exchange.

Effective 01 October 2022, the Company has been categorized as NBFC-ML under the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated 28 November 2025.

NOTE 2: MATERIAL ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

a) Basis of consolidation

Consolidated financial statements include results of the Company and joint venture. Consolidated financial statements are prepared as set out below:

Name of the Company	Country of incorporation	Consolidated as
Jaguar Advisory Services Private Limited (JASPL)	India	Joint venture

l) Joint arrangement

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated financial statements.

Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

b) Statement of compliance and basis of preparation

The consolidated financial statements ('financial statements') for the year ended 31 March 2026 have been prepared by the Company in accordance with Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs, Government of India under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Further, the Company has complied with all the directions related to Implementation of Indian Accounting Standards prescribed for Non-Banking Financial Companies (NBFCs)



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

in accordance with guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued/applicable.

The Company consistently applies the following accounting policies to all periods presented in these consolidated financial statements, unless otherwise stated.

The Company has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern. The Management is satisfied that the company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

These consolidated financial statements have been approved by the Company's Board of Directors and authorized for issue on 05 May 2026.

c) Functional and Presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been denominated in crores and rounded off to the nearest two decimal, except when otherwise indicated. Amounts less than ₹ 50,000/- are presented as ₹ 0.00 crores in the consolidated financial statements.

d) Historical cost convention

These consolidated financial statements have been prepared on a historical cost basis, except for the following material items:

- Certain financial assets at Fair value through other comprehensive income (FVTOCI)
- Financial instruments at Fair value through profit and loss (FVTPL) that is measured at fair value
- Net defined benefit (asset)/liability - fair value of plan assets less present value of defined benefit obligation

e) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets

and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2:** Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

f) Significant areas of estimation uncertainty, critical judgements and assumptions in applying accounting policies

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities and assets) as on the date of the consolidated financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Key sources of estimation of uncertainty at the date of consolidated financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- **Note 51** - impairment of financial instruments: determining inputs into the Expected Credit Loss (ECL) model, including incorporation of forward-looking information and assumptions used in estimating recoverable cash flows
- **Note 50** - determination of the fair value of financial instruments with significant unobservable inputs
- **Note 41** - measurement of defined benefit obligations: key actuarial assumptions
- **Note 11** - recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Judgements:

Key areas of judgement at the date of consolidated financial statements, which may cause a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

Classification of financial assets: Assessment of the business model within which the assets are held for sale, held for sale and maturity and held for maturity.

g) Revenue recognition

- I. Interest income from financial assets (assets on finance) is recognized on accrual basis using Effective Interest Rate ('EIR') method. EIR is applied on future principal of amortized cost of assets on finance. Interest income on stage 3 assets is recognized on net basis, i.e., on non-credit impaired portion.
- II. The EIR is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset. The interest income is recognized on EIR method on a time proportion basis applied on the carrying amount for financial assets including credit impaired financial assets.
- III. The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.
- IV. The 'Amortized cost' of a financial asset is the amount at which the financial asset is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount adjusted for any expected credit loss allowance.
- V. The 'gross carrying amount of a financial asset' is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.
- VI. Income from direct assignment (sale) transactions represents the present value of excess interest spread receivable on de-

recognized assets computed by discounting net cash flows from such assignment pools on the date of transactions (net off servicing liability initially recognised).

- VII. Penal and other charges are treated to accrue on realization, due to uncertainty of realization and is accounted for accordingly.
- VIII. For revenue recognition from leasing transactions of the Company, refer Note 42 on Leases.
- IX. Income from collection and support services is recognized over time as the services are rendered as per the terms of the contract.
- X. Fair value changes from financial instrument measured at FVTPL are recognized in revenue from operations basis their fair valuation and provision.
- XI. Dividend is recognized when the right to receive the dividend is established.
- XII. The Company recognizes revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. Revenue is measured at the transaction price allocated to the performance obligation in accordance with Ind AS 115. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognizes revenue only on satisfactory completion of performance obligations.

Other Income

All other items of income are accounted for on accrual basis.

h) Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Financial instruments include bank term loans, non-convertible debentures, commercial papers, subordinated debts, perpetual debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

to the interest cost. Interest expense on lease liabilities computed by applying the Company's notional borrowing rate and has been included under finance costs. It also includes discounting charges paid for securitization transactions entered under 'pass-through' arrangement.

i) Derivative financial instruments

The Company enters into derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk.

Such derivative financial instruments are initially recognized at fair value on the date which a derivative contract is entered into and are subsequently re-measured at fair value at each balance sheet date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the consolidated statement of profit and loss (if any) when the hedge item cash flows affects the consolidated statement of profit and loss.

Hedge Accounting

The Company makes use of derivative financial instruments, such as cross currency swaps to manage exposures to interest rate risk and foreign currency risk. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on regular intervals to determine that hedge is effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion (if any) of the gain or loss on the hedging instrument is recognised immediately as finance cost in the consolidated statement of profit and loss.

When the hedged cash flow affects the consolidated statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the consolidated statement of profit and loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the consolidated statement of profit and loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the consolidated statement of profit and loss.

j) Financial instruments

l) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenue that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Transaction costs and revenues of financial assets or financial liabilities carried at fair value through the profit or loss account are recognized immediately in the consolidated statement of profit and loss. Trade Receivables are measured at transaction price. Trade receivables and debt securities issued are initially recognized when they are originated.

II) Classifications

Financial assets

On initial recognition, depending on the Company's business model for managing the financial assets and its contractual cash flow characteristics, a financial asset is classified as measured at;

- Amortized cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Business model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The frequency, volume and timing of sales of financial asset in prior periods, the reason for such sales and expectations about future sales activity are important determining factors of the business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Financial instruments at Amortized Cost

A financial asset is measured at amortized cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Other Comprehensive Income ('FVTOCI')

A financial asset is measured at FVTOCI only if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at Fair Value through Profit and Loss (FVTPL)

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

Re-classification from Amortized Cost to FVOCI

If there are multiple sale transaction of portfolios exceeding the prescribed threshold except as allowed under Ind AS 109 i.e. for stress case scenarios, and the management estimates that the Company may continue to sell down the loan assets for the purpose of meeting other business objectives then such part of the loan assets (if specifically identified) shall be re-classified to FVOCI from Amortized Cost category.

Re-classification from FVOCI to Amortized Cost

If considerable time period has elapsed since the past sale transaction and the management estimates that there is a very limited probability of selling down the portfolio in future, other than stressed portfolio or other exceptions as allowed under Ind AS 109, then such portfolio can be re-classified from FVOCI to Amortized Cost category.

Equity Investments

All equity investments other than equity investments in subsidiaries, associates and joint ventures are measured at FVTPL. These include all equity investments in scope of Ind AS 109.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

and the definitions of a financial liability and an equity instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or fair value through profit or loss, as appropriate.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company is recognized at the proceeds received, net of directly attributable transaction costs.

III) Subsequent measurement

Amortized cost

Amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the EIR method of discount or premium on acquisition and fees or costs that are an integral part of the EIR and, for financial assets, adjusted for any loss allowance.

FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit and loss. The transaction costs and fees are also recorded related to these instruments in the consolidated statement of profit and loss.

FVTOCI

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the consolidated statement of profit and loss. On derecognition, cumulative gain or loss previously recognized in OCI is reclassified from the equity to 'other income' in the consolidated statement of profit and loss.

IV) De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. The Company continues to recognize the assets on finance on books which has been securitized under pass through arrangement and does not meet the de-recognition criteria.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset de-recognized) and the sum of the consideration received (including the value of any new asset obtained less any new liability assumed) is transferred to consolidated statement of profit and loss.

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Securitization and Assignment

In case of transfer of loans through securitization and direct assignment transactions, the transferred loans are de-recognized and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract.

In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions, the difference between the carrying amount and the consideration received are recognized in the consolidated statement of profit and loss.

Upon derecognition of financial assets in a securitization transaction, where the Company retains the servicing obligation and the servicing fee is not expected to provide adequate compensation, a servicing liability is recognized at fair value in accordance with Ind AS 109.

Subsequent to initial recognition, the servicing liability is measured in accordance with the requirements applicable to financial liabilities under Ind AS 109, and changes in estimates are recognised in profit or loss.

V) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

VI) Impairment of Financial Assets

The Company recognizes loss allowances for Expected Credit Loss (ECL) on all the financial assets that are not measured at FVTPL:

ECL are probability weighted estimate of future credit losses based on the staging of the financial asset to reflect its credit risk. They are measured as follows:

- **Stage 1:** Financial assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- **Stage 2:** Financial assets with significant increase in credit risk but not credit impaired – as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial asset.

- **Stage 3:** Financial assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

The Company's policy for determining significant increase in credit risk is set out in Note 51 (ii) (g).

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Management overlay is used to estimate the ECL allowance in circumstances where management believes that the existing inputs, assumptions and model techniques do not factor the related exception scenario or captures all the risk factors relevant to the Company's lending portfolios.

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the powers conferred on the Non-Banking Finance Companies under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("SARFAESI").

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are credited to impairment loss on actual realization from customer.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

For more details, refer Note 51.

Presentation of ECL allowance for financial asset:

ECL allowance for financial asset measured at amortized cost or FVOCI is shown as a deduction from the gross carrying amount of the assets.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

k) Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal Company classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of a single co-ordinated plan to dispose of such line of business or area of business of operations, or is a subsidiary acquired exclusively with a view of resale. The results of discontinued operations are presented separately in the consolidated statement of profit and loss.

l) Subsequent events

The Company evaluates all transactions and events that occur after the balance sheet date but before the consolidated financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the consolidated financial statements, except as disclosed.

m) Leases

I) The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the lease term. In certain lease arrangements, variable rental charges are also recognized over and above minimum commitment charges based on usage pattern.

II) The Company as lessee

i) Right of use assets and Lease liability

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Recognition and initial measurement

At the lease commencement date, the Company recognizes a right-of-use ("RoU") asset and equivalent amount of lease liability. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the notional borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset or is recorded in consolidated statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Presentation

Lease liability and Right of Use assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company has elected to account for leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

ii) De-recognition

An item of right to use assets and lease liability is de-recognized upon termination of lease agreement. Any difference between the carrying amount of right to use asset and lease liability is recognized in consolidated statement of profit and loss.

n) Employee Benefits

I) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. This includes performance linked incentives. Short term employee obligations are measured at undiscounted basis.

II) Post-employment benefits

Defined contribution plans

A defined contribution plan is a post – employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts.

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Contributions paid/payable to the recognized provident fund, which is a defined contribution scheme, are expensed as the related service is rendered by an employee and recognized as personnel expenses in consolidated statement of profit and loss.

Defined benefit plans

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Accrued Benefit Method (same as Projected Unit Credit



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

Method), which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan.

The change in defined benefit plan liability is split into changes arising out of service, interest cost and re-measurements and the change in defined benefit plan asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/income is recognized in the consolidated statement of profit and loss. Re-measurements of net defined benefit liability/(asset) which comprise of the below are recognized in other comprehensive income:

- Actuarial gains and losses;
- The return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset).

III) Other long term employee benefits

Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expenses and actuarial gain/loss on account of the above benefit plans are recognized in the consolidated statement of profit and loss on the basis of actuarial valuation.

IV) Share-based payment arrangements - Employee Stock Options

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in other equity.

In case, the Company modifies the terms and conditions on which the equity instruments were granted in a manner that is beneficial to the employees, the incremental cost will be recognized over the period starting from the modification date till the date of vesting if the modification occurs during the vesting period. In case, modification occurs after the vesting period, the incremental cost will be recognized immediately.

V) Treasury Share

The Company has created an ESOP Trust (the 'Trust') for providing share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Trust purchase shares of the Company from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognized at cost and deducted from other equity. No gain or loss is recognized in the consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Share options exercised during the reporting period are settled with treasury shares. Trust reserve represents net of income over expenditure of the Trust.

o) Income Taxes

Income-tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of temporary differences between tax base and book base). It is recognized in profit

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

I) Current tax

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the tax payable on the taxable income or loss for the year and any adjustment to the tax payable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The amount of current tax reflects the best estimate of the tax amount expected to be paid after considering the uncertainty, if any, related to income taxes.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are reviewed at each reporting date and based on management's judgement, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if the Company:

- has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

p) Property, plant and equipment and Investment property

Recognition and measurement

Property, plant and equipment (PPE) held for use or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. The cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company. Subsequent expenditure on PPE after its purchase is capitalized if it is probable that the future economic benefits will flow to the enterprise.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciation and recognized impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment Property consists of building let out to earn rentals. The Company follows cost model for measurement of investment property.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

Depreciation and amortization expense

Depreciation on PPE is provided using the straight-line method at the rates specified in Schedule II of the Act. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

Sl. No.	Item	Life (in Years)
1	Buildings	60
2	Furniture and Fixtures	10
3	Electrical Installations and Equipment	10
4	Vehicles	8
5	Office Equipment	5
6	Server	6
7	Networking tools	6

Freehold land is not depreciated.

Leasehold improvements are amortized over the underlying lease term on a straight-line basis.

Depreciation on vehicles given on operating lease is provided on straight line method at rates based on tenure of the underlying lease contracts not exceeding 8 years. These leases are having residual value greater than 5%, Company has justification in place for considering the same.

For the following class of assets, based on internal assessment, the management believes that the useful lives as given below best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act:

Sl. No.	Item	Life (in Years)
1	Desktop (PC/monitor)	6
2	Laptops/Handheld Device	5
3	Scanner and UPS	6
4	Printer	3
5	Tablet	3
6	Leasehold improvements	10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

During the year ended 31 March 2026, the Company has changed the estimated useful life of Laptops from 4 years to 5 years. Accordingly, the balance written down value of said Laptops had been depreciated over the revised remaining useful life from the date of change.

De-recognition

An item of PPE or investment property is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in consolidated statement of profit and loss.

Capital work-in-progress

PPE not ready for the intended use on the date of the balance sheet are disclosed as "capital work-in-progress" and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Individual assets costing less than or equal to ₹ 5,000/- are depreciated in full in the month of acquisition.

q) Intangible assets

Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are capitalized and carried at cost less accumulated amortization and impairment losses, if any. Cost includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Company.

Expenditure on internally developed software is recognized as an asset when the Company is able to demonstrate that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development.

The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs and are amortized over its useful life.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

Amortization

Amortization of intangible assets is recognized on a straight-line basis over a period up to 6 years, which is the Management's estimate of its useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

De-recognition

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in consolidated statement of profit and loss when the asset is de-recognized.

Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

r) Impairment of non-financial assets

The Company's non – financial assets including deferred tax is assessed at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit and loss. Goodwill is tested annually for impairment.

s) Foreign Currency Transactions

Transactions in currencies other than Company's operational currency are recorded on initial recognition using the exchange rates prevailing

on the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end and exchange differences that arise on settlement of monetary items or on reporting of monetary items at the closing spot rate are recognized in the statement of profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

t) Provisions and contingencies related to claims, litigation, etc.

A provision is recognized if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

l) Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

ll) Contingencies related to claims, litigation, etc.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

u) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the consolidated financial statements where an inflow of economic benefits is probable.

v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

w) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash future, any deferrals, or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

x) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. Refer note 55 for details on segment information presented.

y) Earnings per equity share

Basic earnings per equity share has been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share, if any, is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per equity share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

z) Dividend

Interim dividend declared to equity shareholders, if any, is recognized as liability in the period in which the said dividend is declared by the Board of Directors. Final dividend declared, if any, is recognized in the period in which the said dividend is approved by the shareholders. Dividend payable is recognized directly in other equity.

aa) Recent accounting pronouncements

The Ministry of corporate Affairs ("MCA") notified amendments on 7 May 2025 and 13 August 2025 under the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which is effective from annual reporting periods beginning on or after 1 April 2025.

(a) Amendment to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangement:

The amendments to Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures' clarify the characteristics of supplier finance arrangements and require additional disclosures for such arrangements. The disclosure requirements in the amendments are intended to assist users of consolidated financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its consolidated financial statements.

(b) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- i) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of liability as current or

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

- ii) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- iii) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its consolidated financial statements.

(c) Amendment to Ind AS 12 – Pillar-Two Tax Reforms

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdiction in which the Company operates.

(d) Amendment to Ind AS 21-Lack of exchangeability

The amendment introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the consolidated financial statements of the Company.

The new disclosures introduced in the standard, the entities are required to provide in their consolidated financial statements for annual reporting periods beginning on or after 1 April 2025. No disclosures are required in interim periods ending on or before 31 March 2026.

New standards and amendments notified but not effective

- (i) Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, retrospectively, as outlined below:

- a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of consolidated financial statements to not demand payment as a consequence of breach.
- b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.
- c) Disclose information about the timing of settlement to understand the impact of the liability on the consolidated financial statements.

The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its consolidated financial statements.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

3 CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks:		
- In current accounts	286.00	24.65
	286.00	24.65

4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2026	As at 31 March 2025
Bank balances other than cash and cash equivalents		
- In deposits with original maturity of more than 3 months	-	-
Earmarked balances with banks		
- Unclaimed dividend on equity shares	0.28	0.35
- Towards bank guarantees and others	7.40	7.29
	7.68	7.64

5 DERIVATIVE FINANCIAL INSTRUMENTS

Particulars	As at 31 March 2026		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	2,758.80	340.26	-
	2,758.80	340.26	-

Particulars	As at 31 March 2025		
	Notional Amount	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency swaps	1,477.40	2.82	1.66
	1,477.40	2.82	1.66

Refer note no. 51(iv)(b) for foreign currency risk.

6 RECEIVABLES

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Trade receivables		
Considered good - unsecured	44.35	30.89
Less: Impairment loss allowance	(5.87)	(12.50)
	38.48	18.39
(ii) Other receivables		
Considered good - unsecured	-	0.32
Less: Impairment loss allowance	-	-
	-	0.32
	38.48	18.71

There are no dues by directors or other officers of the company either severally or jointly with any other person or any firms or private companies in which any director is a partner, a director or a member.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

6 RECEIVABLES (Contd.)

Trade receivables ageing schedule as at 31 March 2026

Particulars	Undisputed trade receivables – considered good	Disputed trade receivables –considered good	Total
Less than 6 months	38.47	-	38.47
6 months - 1 year	-	-	-
1-2 years	-	-	-
2- 3 years	5.87	-	5.87
More than 3 years	0.01	-	0.01
Total	44.35	-	44.35
Less: Impairment loss allowance	(5.87)	-	(5.87)
Total trade receivables	38.48	-	38.48

Trade receivables ageing schedule as at 31 March 2025

Particulars	Undisputed trade receivables – considered good	Disputed trade receivables –considered good	Total
Less than 6 months	13.74	-	13.74
6 months - 1 year	0.02	-	0.02
1-2 years	17.13	-	17.13
2- 3 years	-	-	-
More than 3 years	-	-	-
Total	30.89	-	30.89
Less: Impairment loss allowance	(12.50)	-	(12.50)
Total trade receivables	18.39	-	18.39

Note - Ageing of the trade receivables is determined from the due date of payment till the reporting date.

7 LOANS

Particulars	As at 31 March 2026	As at 31 March 2025
Amortised cost		
(A) (i) Term loans*	56,761.15	33,549.09
(ii) Leasing	29.24	88.28
Total (A) -Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (A) - Net	55,951.49	32,694.96
(B) (i) Secured by tangible assets^	30,863.48	19,109.16
(ii) Covered by bank/government guarantees#	0.01	2.64
(iii) Unsecured	25,926.90	14,525.57
Total (B) - Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (B) - Net	55,951.49	32,694.96
(C) Loans in India		
(i) Public sector	-	-
(ii) Others	56,790.39	33,637.37
Total (C) - Gross	56,790.39	33,637.37
Less: Impairment loss allowance	838.90	942.41
Total (C) - Net	55,951.49	32,694.96

* Includes supply chain finance outstanding of ₹ 772.20 crores (31 March 2025: ₹ 1,224.62 crores) and credit substitutes outstanding of ₹ 840.86 crores (31 March 2025: Nil)

^ Secured by underlying assets financed

#1) Loans amounting to Nil are covered under Emergency Credit Line Guarantee Scheme for NBFCs administered by NCGTC under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (31 March 2025: ₹ 0.70 crores)

2) Loans amounting to ₹ 0.01 crores are covered under Credit Guarantee Scheme for NBFCs administered by CGTMSE under aegis of SIDBI for credit facilities extended to eligible borrowers in Micro and Small Industries. (31 March 2025: ₹ 1.94 crores)

Refer Note 51, for movement in the gross carrying amount in respect of loans and corresponding ECL allowances.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

8 INVESTMENTS

As at 31 March 2026

Particulars	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Total
(A) Investments in:				
Government securities [#]	1,575.64	879.17	-	2,454.81
Mutual funds (Invested by PFL EWT)	-	-	1.31	1.31
Others-				
Security receipts	-	-	270.10	270.10
Total – Gross (I)	1,575.64	879.17	271.41	2,726.22
Less: Allowance for impairment loss (II)	-	-	235.76	235.76
Total – Net (I)-(II)	1,575.64	879.17	35.65	2,490.46
(B) Other details:				
Investments in India	1,575.64	879.17	271.41	2,726.22
Investments outside India	-	-	-	-
Total – Gross (I)	1,575.64	879.17	271.41	2,726.22
Less: Allowance for impairment loss (II)	-	-	235.76	235.76
Total – Net (I)-(II)	1,575.64	879.17	35.65	2,490.46

As at 31 March 2025

Particulars	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Total
(A) Investments in:				
Government securities [#]	650.98	502.96	-	1,153.94
Mutual funds (invested by PFL EWT)	-	-	2.93	2.93
Others-				
PTC securities	3.65	-	-	3.65
Security receipts	-	-	181.11	181.11
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	85.28	85.28
Total – Net (I)-(II)	654.63	502.96	98.76	1,256.35
(B) Other details:				
Investments in India	654.63	502.96	184.04	1,341.63
Investments outside India	-	-	-	-
Total – Gross (I)	654.63	502.96	184.04	1,341.63
Less: Allowance for impairment loss (II)	-	-	85.28	85.28
Total – Net (I)-(II)	654.63	502.96	98.76	1,256.35

[#]Investment in Government securities includes ₹ 879.17 crores in T-bill and ₹ 1,575.64 crores in Repo instruments. (31 March 2025: ₹ 380.97 crores in T-bill and ₹ 650.98 crores in Repo instruments)

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

9 OTHER FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Accrued interest	0.60	1.60
Advances recoverable	52.26	25.78
Receivable on assigned loans	213.01	99.16
Security deposits	33.31	19.19
Advances to related parties [#]	2.26	2.31
Others*	36.12	36.06
Total (Gross)	337.56	184.10
Less: Impairment loss allowance	(1.12)	(1.91)
	336.44	182.19

[#]Refer Note 45 related party disclosure for detailed disclosure.

*Others include receivables on Credit Guarantee Scheme amounting to ₹35.94 crores (31 March 2025 - ₹35.48 crores)

10 CURRENT TAX ASSETS (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax (net of provisions)	133.38	141.51
	133.38	141.51

11 INCOME TAX

A. Income tax recognised in statement of profit and loss

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Current tax		
Current tax	57.34	-
Tax expense for earlier years	(0.01)	0.26
	57.33	0.26
Deferred tax		
On account of timing differences	124.47	(37.32)
	124.47	(37.32)
Tax expense	181.80	(37.06)

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Remeasurements of the defined benefit plans	(0.51)	(0.49)
Financial instruments fair value through other comprehensive income	(0.02)	0.03
Cash flow hedge reserve	8.84	(4.27)
	8.31	(4.73)

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

11 INCOME TAX (Contd.)

C. Reconciliation of effective tax rate

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	%	Amount	%	Amount
Profit/(loss) before tax	-	723.61	-	(135.40)
Profit/(loss) on which Company's domestic tax rate would be applied	25.17%	723.61	25.17%	(135.40)
Tax as per above	-	182.12	-	(34.08)
Effect of:				
Non taxable income / tax incentives / disallowable expenses	(0.04%)	(0.31)	2.39%	(3.24)
Effective tax rate	25.13%	181.81	27.56%	(37.32)
Provisions relating to earlier years	0.00%	(0.01)	(0.19%)	0.26
Income tax expense reported in the statement of profit and loss	25.13%	181.80	27.37%	(37.06)

D. Deferred tax assets (net)

Particulars	As at 01 April 2025	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2026
Deferred tax assets:				
Impairment loss allowance	241.47	(27.74)	-	213.73
Application of effective interest rate method on financial assets and financial liabilities	86.19	82.64	-	168.83
Provision for employee benefits	2.59	1.68	-	4.27
Business loss/unabsorbed depreciation	62.85	(62.85)	-	-
On written down value of property, plant and equipment	7.71	2.01	-	9.72
Lease liabilities	50.51	34.43	-	84.94
Others (primarily other financial liabilities)	0.03	6.15	-	6.18
	451.35	36.32	-	487.67
Deferred tax liabilities:				
EIS receivable	24.95	28.65	-	53.60
On financial assets and financial liabilities	180.49	98.69	(0.02)	279.16
Gratuity (excess of plan assets over obligation)	1.34	2.14	(0.51)	2.97
Right of use assets	43.37	31.31	-	74.68
Cash flow hedge reserve	(4.27)	-	8.84	4.57
	245.88	160.79	8.31	414.98
Net deferred tax assets	205.48	(124.47)	(8.31)	72.70

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

11 INCOME TAX (Contd.)

Particulars	As at 01 April 2024	Recognised in profit or loss during the year	Recognised in OCI during the year	As at 31 March 2025
Deferred tax assets:				
Impairment loss allowance	257.36	(15.89)	-	241.47
Application of effective interest rate method on financial assets and financial liabilities	51.31	34.88	-	86.19
Provision for employee benefits	1.91	0.68	-	2.59
Cash flow hedge reserve	-	-	4.27	4.27
Business loss/unabsorbed depreciation	-	62.85	-	62.85
On written down value of property, plant and equipment	2.59	5.12	-	7.71
Lease liabilities	34.12	16.39	-	50.51
Others (primarily other financial liabilities)	-	0.03	-	0.03
	347.29	104.06	4.27	455.62
Deferred tax liabilities:				
EIS receivable	27.81	(2.86)	-	24.95
On financial assets and financial liabilities	125.57	54.89	0.03	180.49
Gratuity (excess of plan assets over obligation)	0.96	0.87	(0.49)	1.34
Right of use assets	29.53	13.84	-	43.37
	183.87	66.74	(0.46)	250.14
Net deferred tax assets	163.42	37.32	4.73	205.48

E. Uncertain tax positions

Refer Note 47 on contingent liabilities and commitment relating to income tax matter under dispute.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

12 INVESTMENT PROPERTY

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 31 March 2025
Investment property*	0.09	-	-	0.09	0.00	-	0.02	0.07
Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 31 March 2024
Investment property*	0.09	-	-	0.09	0.00	-	0.07	0.07

Amounts recognised in profit or loss for investment property

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	As at 31 March 2026		As at 31 March 2025	
Rental Income	0.03		0.03	
Depreciation	0.00		0.00	

* Registration of title is pending and hence fair value of the property has not been disclosed.

Description of item of property	Gross carrying amount	Title deeds held in the name of company	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the Company
Investment property	0.09	Gouri Shankar Rajgharia and Om Prakash Rajgharia	No	15 July 2004	Disputed

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

13 PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2025	Additions	Deletions /adjustments	As at 01 April 2025	Additions	Deletions /adjustments	As at 31 March 2026	As at 31 March 2025
Owned assets^								
Buildings	1.54	-	-	0.22	0.03	-	0.25	1.32
Furniture and fixtures	4.05	7.75	0.49	1.50	1.89	0.27	3.12	2.55
Vehicles	0.19	-	0.11	0.13	0.01	0.06	0.08	0.06
Office equipment	15.13	16.01	0.49	4.60	4.85	0.38	9.07	10.53
Leasehold improvements	10.13	29.02	1.11	2.24	2.08	0.50	3.82	7.89
Computers	32.95	19.94	0.87	20.64	8.27	0.81	28.10	12.31
Assets under lease								
Vehicles	50.63	-	23.67	30.28	6.13	17.68	18.73	20.35
Total	114.62	72.72	26.74	59.61	23.26	19.70	63.17	55.01

Particulars	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 01 April 2024	Additions	Deletions /adjustments	As at 01 April 2024	Additions	Deletions /adjustments	As at 31 March 2025	As at 31 March 2024
Owned assets^								
Buildings	2.83	-	1.29	0.43	0.04	0.25	0.22	2.40
Furniture and fixtures	3.22	2.20	1.37	2.32	0.29	1.11	1.50	0.90
Vehicles	0.52	-	0.33	0.34	0.02	0.23	0.13	0.18
Office equipment	11.53	5.88	2.28	4.42	2.23	2.05	4.60	7.11
Leasehold improvements	3.77	7.78	1.42	2.89	0.61	1.26	2.24	0.88
Computers	26.83	9.78	3.66	18.15	6.10	3.61	20.64	8.68
Assets under lease								
Vehicles	73.64	-	23.01	34.01	11.97	15.70	30.28	39.63
Total	122.34	25.64	33.36	62.56	21.26	24.21	59.61	59.78

^For details of immovable property hypothecated against borrowings, refer Note 20.

There is no immovable property (except Investment property) where title deed of such immovable property is not held in name of the Company or jointly held with others.

For details on contractual commitment, refer note 47



Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

14 INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	As at 01 April 2024	Additions during the year	Capitalised during the year	As at 31 March 2025	Additions during the year	Capitalised during the year	As at 31 March 2026
Intangible assets under development	0.26	14.08	3.91	10.43	7.21	10.63	7.01

Intangible assets under development ageing schedule as at 31 March 2026

Particulars	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026
Projects in progress	25.49	41.37	0.17	0.09	25.32	41.28
Projects temporarily suspended	-	-	-	-	-	-
Total	25.49	41.37	0.17	0.09	25.32	41.28

Intangible assets under development ageing schedule as at 31 March 2025

Particulars	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at 01 April 2024	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025
Projects in progress	25.43	25.49	0.17	0.09	25.26	25.40
Projects temporarily suspended	-	-	-	-	-	-
Total	25.43	25.49	0.17	0.09	25.26	25.40

Refer note 47 (d) for capital commitments

15 OTHER INTANGIBLE ASSETS

Description of assets	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026
Computer software	25.49	41.37	0.17	0.09	25.32	41.28
Total	25.49	41.37	0.17	0.09	25.32	41.28

Description of assets	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	As at 01 April 2024	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025	As at 01 April 2024	As at 31 March 2025
Computer software	25.43	25.49	0.17	0.09	25.26	25.40
Total	25.43	25.49	0.17	0.09	25.26	25.40

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

16 RIGHT OF USE ASSETS

Description of assets	Gross block		Accumulated depreciation		Net carrying amount	
	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026	As at 01 April 2025	As at 31 March 2026
Right of use assets	242.80	429.95	6.28	1.83	236.52	428.12
Total	242.80	429.95	6.28	1.83	236.52	428.12

Refer Note 42 for disclosure related to leases.

17 OTHER NON-FINANCIAL ASSETS

Particulars	As at 31 March 2026	As at 31 March 2025
Capital advances	24.89	3.22
Other advances	-	-
- Prepaid expenses	53.35	58.39
- Balances with government authorities	46.67	38.53
- Gratuity* (excess of plan assets over obligation)	11.76	5.28
Total	136.67	105.42

*Refer Note 41 for disclosure related to provisions for employee benefits.

An amount of ₹ 1.74 crore included under prepaid expenses represents advance payment of share issue expenses. Upon the proposed enhancement of equity share capital pursuant to the Qualified Institutions Placement, the same shall be adjusted against Securities Premium in the Consolidated Statement of Changes in Equity.

18 ASSETS HELD FOR SALE

Particulars	As at 31 March 2026	As at 31 March 2025
Investment in joint venture	50.70	50.70
Total	50.70	50.70

The Board of Directors and Shareholders of the Company in their respective meetings had approved sale of its shareholding in joint venture Jaguar Advisory Services Private Limited (JASPL) held on 02 November 2021 and 13 December 2021. The Board has reaffirmed plan to sell its shareholding in JASPL in its meeting held on 05 May 2026. The sale will be subject to requisite regulatory approvals. Accordingly, in line with the requirements of Ind AS 105 “Non-current assets held for sale”, management continue to classify such investment as assets held for sale.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

19 PAYABLES

Particulars	As at 31 March 2026	As at 31 March 2025
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises*	0.58	1.69
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	4.30	2.24
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.32
	4.88	4.25

*The below information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) and has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at 31 March 2026	As at 31 March 2025
a) Dues remaining unpaid to any supplier at the year end		
- Principal	0.58	1.69
- Interest on the above	-	-
b) Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of the MSMED Act	-	-
c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

Trade payables ageing schedule as at 31 March 2026

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues - MSME	0.58	-	-	-	0.58
Undisputed dues - Others	4.20	0.08	0.02	-	4.30
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	4.78	0.08	0.02	-	4.88

Trade payables ageing schedule as at 31 March 2025

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues - MSME	1.69	-	-	-	1.69
Undisputed dues - Others	2.22	0.02	-	-	2.24
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	3.91	0.02	-	-	3.93

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

20 DEBT SECURITIES

Measured at amortised cost - Secured

Particulars	As at 31 March 2026	As at 31 March 2025
(A) Redeemable non-convertible debentures (refer note (a) and (b) below)	14,790.18	1,663.99
Total	14,790.18	1,663.99
(B) Debt securities in India	14,790.18	1,663.99
Total	14,790.18	1,663.99

(a) Nature of security

Debentures issued under private placement are secured by first pari passu charge on the loan assets of the Company. Debentures issued under public issue are secured by mortgage of Company's immovable property situated at Luz Church Road, Mylapore, Chennai and are also secured against designated loan assets. The Company has maintained sufficient security cover towards principal, interest accrued and such other sums as stated in respective information memorandum.

(b) Terms of repayment for secured redeemable non-convertible debentures#

Number of debentures	Face value	Month of allotment	Month of redemption	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
10,000	100,000	Jan-23	Jan-26	Zero coupon	-	100.00
25,000	100,000	Feb-24	Feb-26	8.38%	-	249.99
10,000	100,000	Feb-23	Feb-26	7.85%	-	100.00
7,500	100,000	Apr-24	Apr-26	8.32%	75.00	74.99
25,000	100,000	Feb-24	May-26	8.38%	250.00	249.99
42,500*	100,000	Sep-24	Sep-26	8.20%	424.95	424.86
100,000*	100,000	Sep-25	Mar-27	7.58%	999.69	-
250,000	100,000	Oct-25	Mar-27	7.55%	2,499.91	-
116,000	100,000	Apr-25	Apr-27	7.65%	1,159.97	-
122,500	100,000	May-25	May-27	7.60%	1,224.96	-
100,500	100,000	Jul-25	Sep-27	7.53%	1,004.64	-
50,000	100,000	Oct-25	Sep-27	7.53%	499.81	-
35,000	100,000	Aug-25	Feb-28	7.52%	349.93	-
50,700	100,000	Dec-25	Mar-28	7.68%	506.76	-
36,500	100,000	Apr-25	Apr-28	7.70%	364.99	-
100,000	100,000	Feb-26	Jun-28	7.88%	999.95	-
56,500	100,000	May-25	Jun-28	7.65%	564.71	-
58,500	100,000	May-25	Jun-28	7.65%	584.74	-
50,000	100,000	Jun-25	Sep-28	7.58%	499.71	-
26,735	1,000	May-19	May-29	10.27%	2.65	2.64
20,323	1,000	May-19	May-29	10.75%	2.01	2.01
31,000	100,000	Nov-24	Nov-29	8.03%	309.75	309.67
15,000	100,000	Jan-25	Nov-29	8.03%	149.88	149.84
80,000	100,000	Jun-25	Jun-30	7.70%	799.23	-
100,000	100,000	Oct-25	Oct-30	7.90%	998.95	-
80,000	1,000^	Jun-25	Dec-30	7.70%	8.00	-
100,000	1,000^	Oct-25	Apr-31	7.90%	10.00	-
50,000	100,000	Feb-26	Feb-36	8.01%	499.99	-
					14,790.18	1,663.99

#As per contractual tenure

*As per put option date

^Paid up value



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES)

Measured at amortised cost

Particulars	As at 31 March 2026	As at 31 March 2025
(A) a) Term loans - secured		
- from banks	19,198.69	8,046.53
- from financial institutions	3,987.31	4,278.46
b) Loans repayable on demand (cash credit facilities and working capital demand loans) - secured		
- from banks	3,379.56	5,607.67
c) Other loans		
- Commercial paper - unsecured [#]	3,116.05	4,378.11
- Loan from Poonawalla Finance Private Limited (taken by PFL EWT) - unsecured ^{##@}	175.00	174.74
d) External Commercial Borrowings (ECBs) - secured [^]	3,076.52	1,493.46
Total	32,933.13	23,978.97
(B) Borrowings in India	29,856.61	22,485.51
Borrowings outside India	3,076.52	1,493.46
Total	32,933.13	23,978.97

(a) Nature of security

Term Loans, Cash Credit facilities, Working Capital Demand Loans and External Commercial Borrowings are secured by way of first pari passu charge on the loan receivables of the Company under Security Trustee Arrangement.

(b) Terms of repayment of term loans (secured)*

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Yearly installments				
0 - 1 Year	7.95%	-	125.00	-
1 - 3 Years	7.95%	-	250.00	-
3 - 5 Years	7.95%	-	125.00	-
			500.00	-
Half yearly installments				
0 - 1 Year	5.95% - 8.45%	7.11% - 8.75%	1,994.12	787.26
1 - 3 Years	6.59% - 8.45%	7.11% - 8.75%	3,738.85	1,259.03
3 - 5 Years	6.59% - 7.95%	7.67% - 8.75%	2,521.15	637.14
			8,254.12	2,683.43
Quarterly installments				
0 - 1 Year	5.82% - 8.35%	6.50% - 8.65%	4,494.94	2,617.83
1 - 3 Years	6.44% - 8.35%	6.50% - 8.65%	7,198.81	5,084.55
3 - 5 Years	7.25% - 8.20%	6.50% - 8.45%	2,660.14	1,939.17
5 years and above	8.00%	-	77.99	-
			14,431.88	9,641.55
Monthly installments				
0 - 1 Year	-	12.00%	-	0.01
			-	0.01
			23,186.00	12,324.99

*As per contractual tenure

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

21 BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

(c) [^]Terms of repayment of external commercial borrowings

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
1 - 3 Years	7.65% - 8.17%	7.97% - 8.17%	3,076.52	1,493.46
			3,076.52	1,493.46

(d) Details of cash credit facilities and working capital demand loans

The cash credit facilities are repayable on demand and carry interest rates ranging from 7.90% to 8.40% (31 March 2025: from 8.00% to 9.50% p.a). Working capital demand loans are repayable on demand and carry interest rates ranging from 6.85% to 7.55% (31 March 2025: from 7.24% to 9.00% p.a). As per the prevalent practice, cash credit facilities and working capital demand loans are renewed on a year to year basis and therefore, are revolving in nature.

[#]Commercial papers are repayable within 12 months and issued at a discount rate of 6.85 % p.a. - 7.67% p.a. (31 March 2025: 7.42 % p.a. - 8.78% p.a.)

^{##}Loan taken by PFL EWT has a maturity of 4 years (until March 2028) and borrowed at a SBI 3 month Marginal cost of funding rate (MCLR) plus 80 basis point.

[@]Refer Note 45 related party disclosure for detailed disclosure.

- (e) The Company has used the borrowings from banks and financial institutions for the purpose for which it was taken as at the balance sheet date.

22 SUBORDINATED LIABILITIES

Measured at amortised cost - unsecured

Particulars	As at 31 March 2026	As at 31 March 2025
(A) Perpetual debt instruments (Tier I capital) to the extent that do not qualify as equity	21.57	28.48
Others (Tier II capital):		
From banks (subordinated term loan)	-	99.86
Redeemable non convertible subordinated debt instruments to the extent that do not qualify as equity	353.42	109.25
Total	374.99	237.59
(B) Subordinated liabilities in India	374.99	237.59
Total	374.99	237.59

(a) Terms of maturity of perpetual debt instruments (Tier I capital)

Number of debentures	Face value	Month of allotment	Call Option Date*	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
40	500,000	Sep-15	Sep-25	12.10%	-	2.00
100	500,000	Oct-15	Oct-25	12.10%	-	4.99
60	500,000	Jun-16	Jun-26	12.10%	3.00	2.99
34	500,000	Jul-16	Jul-26	12.10%	1.70	1.70
100	1,000,000	Aug-16	Jul-26	12.10%	9.99	9.95
30	1,000,000	Sep-16	Sep-26	12.10%	2.99	2.98
19	1,000,000	Feb-17	Feb-27	11.50%	1.89	1.89
10	1,000,000	Mar-17	Mar-27	11.50%	1.00	0.99
10	1,000,000	Aug-17	Aug-27	11.00%	1.00	0.99
					21.57	28.48

*The Company can redeem using call option date with prior approval of RBI

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

22 SUBORDINATED LIABILITIES (Contd.)

(b) Terms of repayment of subordinated term loans from banks (Tier II capital)*

Maturity schedule	Interest rate range (p.a.)		Amount (₹ in crores)	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
0 - 1 Year	-	12.50%	-	99.86
			-	99.86

(c) Terms of maturity of redeemable non convertible subordinated debt instruments (Tier II capital)*

Number of debentures	Face value	Month of allotment	Month of redemption	Interest rate	Amount (₹ in crores)	
					As at 31 March 2026	As at 31 March 2025
50	1,000,000	Mar-18	Jun-25	10.20%	-	5.00
350	1,000,000	Dec-16	Dec-26	10.40%	34.86	34.65
400	1,000,000	Jan-17	Jan-27	10.40%	39.86	39.69
150	1,000,000	Mar-17	Mar-27	10.25%	14.98	14.97
100	1,000,000	May-17	May-27	10.10%	9.98	9.97
50	1,000,000	Mar-18	Mar-28	10.00%	4.98	4.97
25,000	100,000	Jun-25	Jun-35	8.18%	248.76	-
					353.42	109.25

The Company has made all payments of principal and interest as per the repayment date.

*As per contractual tenure

23 LEASE LIABILITIES*

Particulars	As at 31 March 2026	As at 31 March 2025
Lease liabilities	337.50	200.69
	337.50	200.69

Refer Note 42 for disclosure related to leases.

24 OTHER FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Interest accrued but not due	598.81	102.22
Unclaimed dividend*	0.28	0.35
Pending remittance on assignment	256.60	194.20
Employee dues	120.20	42.18
Liability for expenses	346.71	217.75
Advances and deposits from customers	13.73	12.91
Other payables	79.74	57.88
	1,416.07	627.49

*There has been no delay in transfer of amounts required to be transferred to Investor Education and Protection Fund.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

25 CURRENT TAX LIABILITIES (NET)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for tax (net of advance tax)	0.16	0.24
	0.16	0.24

26 PROVISIONS

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for compensated absences*	17.03	10.37
Provision on undrawn commitments	2.10	1.36
Provision - others	0.94	0.94
	20.07	12.67

*Refer Note 41 for disclosure related to provisions for employee benefits.

27 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31 March 2026	As at 31 March 2025
Revenue received in advance	12.35	17.74
Statutory dues	33.99	24.71
	46.34	42.45

28 EQUITY SHARE CAPITAL

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
1,265,000,000 (31 March 2025: 1,265,000,000) Equity shares of ₹ 2 each	253.00	253.00
58,300,000 (31 March 2025: 58,300,000) Preference shares of ₹ 100 each	583.00	583.00
	836.00	836.00
Issued, subscribed and fully paid-up		
Equity share capital		
812,817,658 (31 March 2025: 778,014,400) Equity shares of ₹ 2 each, fully paid up	162.56	155.60
Less: Equity shares 4,830,000 (31 March 2025: 5,080,000) of ₹ 2 each held by the PFL EWT	(0.97)	(1.02)
	161.59	154.58

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	772,934,400	154.58	770,550,662	154.11
Issued during the year through preferential allotment	33,148,102	6.63	-	-
Issued against employee stock option	1,655,156	0.33	3,463,738	0.69
Shares (acquired)/sold by the PFL EWT during the year	250,000	0.05	(1,080,000)	(0.22)
	807,987,658	161.59	772,934,400	154.58

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

28 EQUITY SHARE CAPITAL (Contd.)

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity share is entitled to one vote per share.

The dividend recommended by the Board of Directors and approved by the Shareholders in the Annual General meeting is paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31 March 2026, the Company has issued and allotted 33,148,102 fully paid-up equity shares of the Company, having face value of ₹ 2 each, at an issue price of ₹ 452.51 per equity share including premium of ₹ 450.51 per equity share, aggregating to ₹ 1,499.98 crores through Preferential Issue, on private placement basis to Rising Sun Holdings Private Limited, promotor of the Company under Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (ICDR) Regulations, 2018, Listing Regulations, the Act and the Rules made thereunder, and other applicable laws.

During the year, the Company has allotted 1,655,156 equity shares of face value of ₹ 2/- each to the eligible employees of the Company under various Employee Stock Option Plans pursuant to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEB & SE Regulations"), as amended from time to time. Refer note no 44 for disclosures related to share based payments.

Refer note 56 on subsequent events.

(c) Shares allotted as fully paid-up without payment being received in cash/by way of bonus shares:

The Company has not issued bonus shares or shares for consideration other than cash during the five year period immediately preceding the reporting date.

(d) Shares bought back

The Company has not bought back any of its securities during the five year period immediately preceding the reporting date.

(e) Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2026		As at 31 March 2025	
	%	No. of shares	%	No. of shares
Equity shares				
Rising Sun Holdings Private Limited*	63.93%	519,644,637	62.53%	486,496,535

*Holding Company

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

28 EQUITY SHARE CAPITAL (Contd.)

(f) Shareholding of Promoters

Shares held by promoters as at 31 March 2026			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	519,644,637	63.93%	2.24%
Shares held by promoters as at 31 March 2025			% Change during the year
Name of promoter	No of shares	% of total shares	
Rising Sun Holdings Private Limited	486,496,535	62.53%	0.65%

(g) For equity shares reserved for issue under options, please refer note 44.

29 OTHER EQUITY*

Particulars	As at 31 March 2026	As at 31 March 2025
Capital reserve	4.80	4.80
Securities premium	7,095.52	5,538.72
Statutory reserves	1,034.87	926.50
Capital redemption reserve	14.22	14.22
Share option outstanding reserve	179.30	131.21
Treasury Shares	(176.96)	(177.01)
Trust Reserves	(83.01)	(78.13)
Retained earnings	2,091.56	1,659.65
Other comprehensive income	26.35	0.12
	10,186.65	8,020.08

*Refer Consolidated Statement of Changes in Equity for movement in reserves

Nature and purpose of reserves:

Capital reserve

Capital reserve has been created to set aside gains of capital nature from amalgamation and merger. It is utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium represents premium received on issue of shares. This amount can be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (created pursuant to Section 45-IC of the Reserve Bank of India Act, 1934)

Statutory reserve represents the reserve fund created under section 45-IC of the Reserve Bank of India Act, 1934. The Company is required to transfer a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss. The statutory reserve can be utilized for the purposes as may be specified by the Reserve Bank of India from time to time.

Capital redemption reserve

Capital redemption reserve is created to keep the capital intact when preference shares are redeemed or equity shares are bought back. It is utilised in accordance with the provisions of the Companies Act, 2013.



Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

29 OTHER EQUITY* (Contd.)

Share option outstanding account

The Company instituted the Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company. The share option outstanding reserve is used to recognise the grant date fair value of option issued under aforesaid plans.

Treasury shares

The reserve for shares of the Company held by the PFL EWT. The Company has issued employees stock option scheme for its employees. The equity shares of the Company have been purchased and held by PFL EWT. PFL EWT to transfer these shares in the name of employees at the time of exercise of option by employees.

Trust Reserve

This represents net of expenditure over income of PFL EWT Trust.

Retained earnings

Retained earnings represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to general reserve or any such other appropriations to specific reserves. It also includes impact of remeasurement of defined benefit plans.

Financial instruments through other comprehensive income

- (a) **On debt investments:** This comprises changes in the fair value of debt instruments recognised in other comprehensive income. The company transfers amounts from such component of equity to retained earnings when the relevant debt instruments are derecognised.
- (b) **On cash flow hedge reserve:** It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

30 INTEREST INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on loans (measured at amortised cost)	6,062.38	3,791.39
Interest on investments	75.81	80.87
Interest on deposits with banks	1.19	1.38
Other interest income		
- on security deposit	1.43	0.86
	6,140.81	3,874.50

31 RENTAL INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Income from lease rentals		
- on operating lease assets	8.48	16.83
- on investment property	0.03	0.03
	8.51	16.86

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

32 FEES AND COMMISSION INCOME†

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Collection and support services	2.11	2.76
Foreclosure income	78.11	35.59
Insurance commission income	129.07	38.70
Fees on value added services and products	116.75	39.83
Others (cheque bouncing charges, penal charges, etc)	93.71	75.38
	419.75	192.26

33 NET GAIN/(LOSS) ON FAIR VALUE CHANGES*

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On investment	4.28	(13.72)
Total Net gain/(loss) on fair value changes (A)	4.28	(13.72)
(B) Fair Value changes:		
Realised gain/(loss)	4.28	(13.72)
Unrealised gain/(loss)	-	-
Total Net gain/(loss) on fair value changes (B)	4.28	(13.72)

*Fair value changes in this schedule are other than those arising on account of interest income/expense.

34A NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Gain from derecognition on account of direct assignment transactions	216.83	84.95
Gain on sale of non performing assets net of reversal of provision of ₹ Nil (31 March 2025 - ₹ 68.37 crores)	-	21.19
Net gain on derecognition of financial instruments	216.83	106.14

34B NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Loss on sale of non performing assets net of reversal of provision of ₹ 239.38 crores (31 March 2025 - ₹ 163.96 crores)	105.79	94.41
Net loss on derecognition of financial instruments	105.79	94.41

35 OTHER INCOME

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net gain on derecognition of lease	0.55	0.28
Net gain on sale of property, plant and equipment	-	6.18
Miscellaneous income	4.92	26.62
	5.47	33.08



Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

36 FINANCE COST (MEASURED AT AMORTISED COST)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest on borrowings (other than debt securities)	1,933.03	1,354.92
Interest on debt securities	748.78	109.91
Interest on subordinated liabilities	31.53	15.44
Interest expense on lease liabilities*	25.91	16.51
Other borrowing costs (includes non EIR borrowing expenses)	26.77	17.46
Interest on security deposits	0.65	0.85
	2,766.67	1,515.09

*Refer Note 42 for disclosure related to leases.

37 IMPAIRMENT ON FINANCIAL INSTRUMENTS (MEASURED AT AMORTISED COST)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Loans	136.61	177.13
Other assets	(7.42)	1.14
Bad debts written-off (includes settlement losses and net of recoveries)*	974.94	1,279.90
	1,104.13	1,458.17

*Includes consideration received on sale of written-off assets ₹ 134.27 crores (31 March 2025: ₹ 61.25 crores).

38 EMPLOYEE BENEFITS EXPENSES**^

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	877.22	487.39
Contribution to provident and other funds	54.94	24.77
Share based payments to employees	69.90	108.90
Staff welfare expenses	15.48	15.16
	1,017.54	636.22

*Refer Note 45 for related party disclosure

^Refer Note 41 for disclosure related to provisions for employee benefits.

39 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation on property, plant and equipment (including investment property)	23.26	21.26
Amortisation on right of use assets (refer note 16 and 42)	64.57	38.32
Amortisation of intangible assets	6.31	5.52
	94.14	65.10

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

40 OTHERS EXPENSES

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Rent	7.21	2.86
Rates and taxes	0.66	0.53
Net loss on sale of property, plant and equipment	1.45	-
Electricity charges	8.59	6.82
Repairs and maintenance		
- Machinery	0.02	0.01
- Others	4.56	1.49
Information technology expenses	173.68	111.29
Communication expenses	21.93	10.30
Printing and stationery	5.27	4.54
Advertisement and publicity	89.90	55.53
Director Fees	5.40	5.14
Legal charges	25.84	13.72
Professional fees*	117.01	51.85
Bureau expenses	54.19	57.56
Insurance	0.94	0.40
Travelling and conveyance	28.20	12.71
CSR expenditure**	6.56	10.51
Outsource collection charges	222.11	145.07
Outsourced manpower cost	144.45	59.57
Miscellaneous expenses	65.80	25.63
	983.77	575.53

*Includes payments to auditors (net of GST credit availed)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Statutory audit (including limited reviews)	1.94	1.64
Other services	0.74	0.34
Reimbursement of expenses	0.28	0.22
Total	2.96	2.20

**Details of corporate social responsibility expenditure ("CSR")

A CSR committee has been formed by the Company as per the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the said Act. The focus area of CSR initiatives undertaken by the Company are education, health and environment. The Company incurs CSR expenses directly.

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Gross Amount required to be spent by the Company during the year	6.56	10.46
(b) Amount spent during the year		
(i) Construction/acquisition of any asset	1.15	-
(ii) On purposes other than (i) above	5.41	10.51
(c) Shortfall at the end of the year	-	-
(d) Previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities		
Key CSR programmes undertaken by implementing agencies focusing on education & literacy including promoting education, skill development & livelihood, women empowerment, healthcare and nutrition including eradicating hunger, poverty & malnutrition and breakthrough research program of IIT Bombay		

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

40 OTHERS EXPENSES (Contd.)

(g) In case of section 135(6) details of ongoing project

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank A/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
As at 31 March 2026	-	-	6.56	6.56	-	-	-
As at 31 March 2025	-	-	10.46	10.51	-	-	-

41 EMPLOYEE BENEFIT PLANS

The Company operates the following post-employment plans -

i. Defined contribution plan

The contribution made to various statutory funds is recognized as expenses and included in Note 38 'Employee benefits expenses' under 'Contribution to provident and other funds' in statement of profit and loss. The detail is as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Provident and Other Funds	40.41	21.50

ii. Defined benefit plan

Gratuity

The Company has a defined benefit gratuity plan in India, governed by the "New Labour Codes". This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC) & Kotak Mahindra Life Insurance Company Limited. This defined benefit plan expose the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc. as defined below.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2026	As at 31 March 2025
Net defined benefit asset	11.76	5.28

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

A. Funding

The scheme is fully funded with Life Insurance Corporation of India (LIC) and Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life). The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of the plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in Section E below.

B. Reconciliation of the net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	As at 31 March 2026			As at 31 March 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance at the beginning of the year	20.68	25.96	(5.28)	16.24	20.02	(3.78)
Included in statement of profit and loss						
Current service cost	6.51	-	6.51	3.59	-	3.59
Past service cost	8.24	-	8.24	-	-	-
Interest cost/(income)	1.51	(1.73)	(0.22)	1.12	(1.44)	(0.32)
	16.26	(1.73)	14.53	4.71	(1.44)	3.27
Included in other comprehensive income						
Remeasurements loss (gain)						
- Actuarial loss (gain) arising from:						
- financial assumptions	(1.38)	-	(1.38)	0.67	-	0.67
- experience adjustment	3.63	-	3.63	0.82	-	0.82
Return on plan assets	-	0.21	(0.21)	-	0.47	0.47
	2.25	0.21	2.04	1.49	0.47	1.96
Other						
Contributions paid by the employer	-	23.05	(23.05)	-	6.72	(6.72)
Benefits paid	(1.25)	(1.25)	-	(1.76)	(1.75)	(0.01)
	(1.25)	21.80	(23.05)	(1.76)	4.97	(6.73)
Balance at the end of the year	37.94	49.28	(11.76)	20.68	25.96	(5.28)

C. Plan assets

Particulars	As at 31 March 2026	As at 31 March 2025
Funds managed by		
Life Insurance Corporation of India (LIC)	71%	84%
Kotak Mahindra Life Insurance Co. Ltd. (Kotak Life)	29%	16%
	100%	100%

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four labour codes collectively referred to as the "New Labour Codes". The Company has assessed the implications of the New Labour Codes and have taken an estimated increase in provision of ₹ 6.42 crores in the quarter ended 31 December 2025 and recognised the same in the employee benefits expenses during the year ended 31 March 2026.

The Government is in the process of notifying related Central/State rules to the New Labour Codes and impact of these will be evaluated and accounted for, as needed, in accordance with applicable accounting standards in the period in which they are notified.

On an annual basis, the Company performs an asset-liability matching exercise and contributes the net incremental actuarial liability to the plan manager (insurer) to effectively manage the associated liability risk.

D. Actuarial assumptions

Particulars	As at 31 March 2026	As at 31 March 2025
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate (per annum)	7.22%	6.67%
Salary increase rate (per annum)	5.00%	5.00%
Withdrawal rate:		
Below 40 years (per annum)	18.00%	18.00%
40 years to 54 years (per annum)	7.00%	7.00%
Above 54 years (per annum)	2.00%	2.00%
Expected rate of return on plan assets (per annum)	6.66%	7.19%
Mortality	IALM (2012-14)	IALM (2012-14)
	Ultimate	Ultimate

E. Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	As At 31 March 2026		As At 31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(37.36)	38.57	(20.36)	21.03
Salary increase rate (0.5% movement)	39.32	(36.66)	21.43	(19.98)
Withdrawal rate (2% movement)	(37.91)	38.01	(20.67)	20.71
Mortality rate (1% movement)	37.96	(37.96)	20.69	(20.69)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Expected maturity analysis of the defined benefit plans in future years

Particulars	As at 31 March 2026	As at 31 March 2025
1 year	2.98	1.87
Between 2-5 years	17.77	9.61
Between 6-10 years	19.57	9.23
Over 10 years	13.24	7.54
Total	53.56	28.25

As at 31 March 2026, the weighted-average duration of the defined benefit obligation was 7.30 years (31 March 2025: 7.36 years).

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

41 EMPLOYEE BENEFIT PLANS (Contd.)

G. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, Company is exposed to various risks as follows -

Investment Risk: For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate): Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in defined benefit obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk: The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

Future Salary Increase Risk: Actual salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.

Demographic Risk: If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financial assumptions.

Regulatory Risk: Any changes to the current regulations by the Government, will increase (in most cases) or decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

iii. Other long-term benefits

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Amount recognised in the statement of profit and loss for compensated absences is as under

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Compensated absences	9.67	5.45

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

42 LEASES

As a lessee, the Company classified property leases as operating leases under Ind AS 116.

A. Lease in the capacity of Lessee

a) Nature: Leases considered here are taken for official use.

b) Other disclosures

Following table summarizes other disclosures including the note references for the expense, asset and liability heads under which certain expenses, assets and liability items are grouped in the financial statements

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1) Depreciation charge for Right-of-use assets for leasehold premises (presented under note - 39 "Depreciation, amortisation and impairment")	64.57	38.32
2) Interest expense on lease liabilities (presented under note - 36 "Finance costs")	25.91	16.51
3) Expense relating to short-term leases (presented under note - 40 "Other expenses")	5.64	1.91
4) Payments for principal portion of lease liabilities	51.63	27.91
5) Additions to right of use assets	193.43	95.75
6) Carrying amount of right of use assets (presented under note - 16 "Right of use assets")	296.72	172.31
7) Lease liabilities (presented under note - 23 "Lease liabilities")	337.50	200.69

c) Movement in the carrying value of the right of use assets

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	172.31	117.35
Additions during the year	193.43	95.75
Depreciation charge for the year	(64.57)	(38.32)
Adjustment/deletion	(4.45)	(2.47)
Closing balance	296.72	172.31

d) Movement in the carrying value of the lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	200.69	135.59
Interest expense	25.91	16.51
Lease payments	(77.54)	(44.42)
Additions during the year	193.43	95.75
Adjustment/deletion	(4.99)	(2.74)
Closing balance	337.50	200.69

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

42 LEASES (Contd.)

e) Maturity analysis of lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Less than 1 year	62.38	43.92
1 - 3 years	120.17	83.19
3 - 5 years	77.30	48.86
More than 5 years	77.65	24.72
Total	337.50	200.69

B. Lease in the capacity of Lessor

a) Nature: Operating and finance lease of vehicles primarily to Corporate clients

b) The Company manages the risk associated with any rights it retains in underlying assets as per the terms of the respective lease contracts.

c) Future lease payments

i) At year end, the future lease receivables under operating leases are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1 st Year	6.48	13.74
2 nd Year	2.53	7.21
3 rd Year	-	2.83
Total	9.01	23.78

ii) At year end, the future lease receivables under finance leases are as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
1 st Year	26.20	60.50
2 nd Year	4.89	30.01
3 rd Year	-	5.64
Total	31.09	96.15

d) Reconciliation - finance lease

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Net investment in lease (carrying amount of Finance lease)	29.24	88.28
Unearned finance income	1.85	7.87
Total lease payments	31.09	96.15

43 EARNINGS PER EQUITY SHARE (EPS)

Particulars	Units	Year ended 31 March 2026	Year ended 31 March 2025
a) Net profit/(loss) after tax	₹ in crores	541.81	(98.34)
b) (i) Weighted average number of equity shares for basic EPS	Nos	791,896,081	771,799,364
(ii) Effect of potential ordinary equity shares on employee stock options	Nos	2,670,740	1,379,075
(iii) Weighted average number of equity shares for diluted EPS	Nos	794,566,821	773,178,439
c) (i) Earnings per share (Face value of ₹ 2 per share) – basic	₹	6.84	(1.27)
(ii) Earnings per share (Face value of ₹ 2 per share) – diluted	₹	6.82	(1.27)

Due to losses incurred in comparative period, the potential equity shares are considered as anti-dilutive

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS

A Description of share-based payment arrangements

The Company instituted Employee Stock Option Plan (ESOP) 2021 in 2021, Employee Stock Option Plan (ESOP) 2024 in 2024 and Employee Stock Option Plan (ESOP) 2024 - Scheme II in 2024 which were approved by the Board of Directors and the shareholders of the Company.

ESOP, 2021

The Company instituted the Employee Stock Option Plan - 2021 ("ESOP 2021"), administered by the Nomination and Remuneration Committee. The ESOP 2021 was originally approved by the Board of Directors on 19 June 2021 and our Shareholders on 24 July 2021. Under ESOP 2021, the maximum aggregate number of stock options that could be allotted was limited to 15,000,000 stock options, with each option representing one Equity Share of ₹ 2/- each of the Company.

The Nomination and Remuneration Committee at its meeting held on 1 June 2024 approved the termination of ESOP 2021 and cancelled ungranted stock options under the scheme. The stock options that have been granted under ESOP 2021 to eligible employees of our Company, and remain outstanding, shall remain operational until such options are exercised/lapsed. During the year, the Nomination and Remuneration Committee of the Company has allotted 1,648,458 options under ESOP 2021 to the eligible employees of the Company.

ESOP - 2024

Our Company instituted the Employee Stock Option Plan – 2024 ("ESOP 2024 – PFL Trust"), administered by the Nomination and Remuneration Committee, to acquire, purchase, hold and deal in the Equity Shares by way of secondary acquisition through the PFL Employee Welfare Trust. The ESOP 2024 – PFL Trust was approved by the Board of Directors on 18 January 2024 and our Shareholders on 20 February 2024. Approval of the Board of Directors was also provided to the Company on 18 January 2024 to grant loans and to provide guarantee or security in connection with a loan granted or to be granted to the PFL Employee Welfare Trust, not exceeding five per cent of the aggregate of the paid up share capital and free reserves of our Company, for the purpose of effecting the ESOP 2024 – PFL Trust.

Under ESOP 2024 – PFL Trust, the maximum aggregate number of stock options that could be granted and Equity Shares to be accordingly transferred was limited to 15,000,000 Equity Shares. On exercise of stock options granted to eligible employees under ESOP 2024 – PFL Trust, corresponding Equity Shares were to be transferred from the PFL Employee Welfare Trust to the relevant eligible employees. However, the Board of Directors at their meeting held on 1 June 2024 approved the cancellation of ESOP 2024 – PFL Trust and the dissolution of the PFL Employees Welfare Trust, subject to requisite approvals and compliances under applicable law. The Board also noted that no stock options were granted by our Company to any employee under ESOP 2024 – PFL Trust.

ESOP - 2024 Scheme II

Our Company instituted the Employee Stock Option Plan – 2024 - Scheme II ("ESOP 2024"), administered by the Nomination and Remuneration Committee. The ESOP 2024 was originally approved by the Board of Directors on 8 April 2024 and our Shareholders on 13 May 2024. Under ESOP 2024, the maximum aggregate number of stock options that could be allotted was limited to 20,000,000 stock options, with each option representing one Equity Share of the Company. These options were granted in the absolute discretion of the Nomination and Remuneration Committee on the basis of factors such as eligible employee's performance appraisal, seniority, period of service, and present and potential contribution to the growth of the Company.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

The ESOP 2024 was amended through a special resolution passed by our Shareholders by way of postal ballot on 16 June 2025, to increase the maximum aggregate number of stock options that could be allotted under this scheme to 32,500,000 stock options, with each option representing one Equity Share of ₹ 2/- each of the Company. The options generally will vest in a graded manner and are exercisable within 3 years from the date of vesting (refer note C below for details of modification).

During the year, the Nomination and Remuneration Committee of the Company has granted 2,015,000 options under ESOP - 2024 Scheme II to the eligible employees of the Company (each options entitles the option holder to 1 equity share of ₹ 2/- each). During the year 94,000 options were lapsed and added in the pool. During the year, the Nomination and Remuneration Committee of the Company has allotted 6,698 options under ESOP 2024 Scheme II to the eligible employees of the Company.

B Measurement of Fair values

The fair value of employee share options has been measured using Black-Scholes model. The weighted average fair value of each option of Poonawalla Fincorp Limited was ₹ 102.80 (31 March 2025: ₹ 105.40).

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	Units	Year ended 31 March 2026	Year ended 31 March 2025
Fair value at grant date	₹	98.53 - 126.97	69.95 - 163.62
Share price at grant date	₹	366.3 - 466.05	276.2 - 478.15
Exercise price	₹	361.15 - 452.48	279.7 - 484.58
Expected volatility (weighted average volatility)	%	35.84 - 38.95	35.96 - 42.28
Expected life (expected weighted average life)	years	2.1 - 2.11	2.1 - 3.09
Expected dividend Yield	%	0 - 0	0.53 - 1.08
Risk-free interest rate (based on government bonds)	%	5.68 - 6.03	6.46 - 6.99

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

C Modification of ESOP plan

During the previous year ended 31 March 2025, Nomination and Remuneration Committee of the Company had approved modification of vesting schedule for ESOP 2021, in line with ESOP 2024 Scheme II. Under ESOP 2021, the revised vesting schedule provided for the vesting of the total options granted over a 3 year period from earlier vesting schedule of over 4 year period. Accordingly, the Company had accounted the modification in line with Ind AS 102 - 'Share Based Payments'. As a result of modification, there was no incremental fair value for the options modified. The impact on statement of profit and loss of this modification was ₹ 23.06 crores.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

D Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

ESOP, 2007

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	-	-	3,200	2.00
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	-	-	3,200	2.00
Less: Lapsed/forfeited during the year	-	-	-	-
Outstanding options at the end of the year	-	-	-	-
Options vested and exercisable at the end of the year	-	-	-	-

There are Nil options outstanding as at 31 March 2026 & 31 March 2025. The options outstanding as at 31 March 2024 had an exercise price of ₹ 2 per option.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2025 was ₹ 488.05.

ESOP, 2021

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	4,677,354	282.80	10,106,632	262.00
Add: Granted during the year	-	-	40,000	484.58
Less: Exercised during the year	1,648,458	249.26	3,460,538	230.46
Less: Lapsed/forfeited during the year	375,940	314.79	2,008,740	272.36
Outstanding options at the end of the year	2,652,956	299.11	4,677,354	282.80
Options vested and exercisable at the end of the year	1,978,456	290.70	2,352,278	264.49

The options outstanding at 31 March 2026 have an exercise price in the range of ₹ 164.42 to ₹ 498.80 (31 March 2025: ₹ 164.42 to ₹ 498.80) and a weighted average remaining contractual life of years 0.24 years (31 March 2025: 0.78 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2026 was ₹ 426.87 (31 March 2025: ₹ 400.59).

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

ESOP, 2024 Scheme II

Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
	Number of share options	Wtd. Avg. price	Number of share options	Wtd. Avg. price
Outstanding options at the beginning of the year	18,044,000	429.99	-	-
Add: Granted during the year	2,015,000	403.92	18,052,000	430.00
Less: Exercised during the year	6,698	362.39	-	-
Less: Lapsed/forfeited during the year	94,000	331.11	8,000	448.55
Outstanding options at the end of the year	19,958,302	427.85	18,044,000	429.99
Options vested and exercisable at the end of the year	5,916,802	430.59	-	-

The options outstanding at 31 March 2026 have an exercise price in the range of ₹ 279.70 to ₹ 471.55 (31 March 2025: ₹ 279.70 to ₹ 471.55) and a weighted average remaining contractual life of years 1.47 years (31 March 2025: 2.33 years).

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2026 was ₹ 481.40 (31 March 2025: Nil).

E Equity shares reserved for issue under options

Particulars	No. of options granted	Exercise price (₹)	Year ended 31 March 2026		Year ended 31 March 2025	
			No. of options	Amount	No. of options	Amount
Under ESOP 2021:						
Tranche 1	1,500,000	175.48	-	-	200,000	0.04
Tranche 2	4,325,750	164.42	84,217	0.02	178,197	0.04
Tranche 4	2,092,050	238.55	43,300	0.01	254,858	0.05
Tranche 5	3,941,400	251.28	498,985	0.10	911,445	0.18
Tranche 6	1,361,500	230.45	47,589	0.01	316,809	0.06
Tranche 7	311,250	229.29	35,000	0.01	35,000	0.01
Tranche 8	1,437,000	307.89	327,215	0.07	483,395	0.10
Tranche 9	412,500	298.95	65,950	0.01	230,450	0.05
Tranche 10	567,500	297.83	215,800	0.04	243,000	0.05
Tranche 11	330,000	311.78	99,500	0.02	120,200	0.02
Tranche 12	300,000	307.06	-	-	-	-
Tranche 13	640,000	329.90	359,900	0.07	369,000	0.07
Tranche 14	200,000	391.82	-	-	-	-
Tranche 15	80,000	379.06	75,000	0.02	75,000	0.02
Tranche 16	40,000	377.00	25,500	0.01	35,000	0.01
Tranche 17	1,000,000	300.26	670,000	0.13	1,000,000	0.20
Tranche 18	200,000	321.19	-	-	-	-
Tranche 19	20,000	370.80	-	-	20,000	0.00
Tranche 20	100,000	376.36	-	-	100,000	0.02
Tranche 21	50,000	498.80	50,000	0.01	50,000	0.01
Tranche 22	15,000	462.30	15,000	0.00	15,000	0.00
Tranche 23	40,000	484.58	40,000	0.01	40,000	0.01

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

44 SHARE-BASED PAYMENTS (Contd.)

Particulars	No. of options granted	Exercise price (₹)	Year ended 31 March 2026		Year ended 31 March 2025	
			No. of options	Amount	No. of options	Amount
Under ESOP 2024 Scheme II:						
Tranche 1	132,000	448.55	104,902	0.02	124,000	0.02
Tranche 2	50,000	358.84	50,000	0.01	50,000	0.01
Tranche 3	8,000,000	459.58	8,000,000	1.60	8,000,000	1.60
Tranche 4	2,000,000	471.55	2,000,000	0.40	2,000,000	0.40
Tranche 5	230,000	438.53	230,000	0.05	230,000	0.05
Tranche 6	1,500,000	471.55	1,500,000	0.30	1,500,000	0.30
Tranche 7	270,000	409.55	270,000	0.05	270,000	0.05
Tranche 8	300,000	471.55	300,000	0.06	300,000	0.06
Tranche 9	50,000	405.18	50,000	0.01	50,000	0.01
Tranche 10	100,000	349.93	100,000	0.02	100,000	0.02
Tranche 11	300,000	401.70	300,000	0.06	300,000	0.06
Tranche 12	500,000	390.60	500,000	0.10	500,000	0.10
Tranche 13	300,000	382.63	300,000	0.06	300,000	0.06
Tranche 14	600,000	403.20	600,000	0.12	600,000	0.12
Tranche 15	845,000	393.48	845,000	0.17	845,000	0.17
Tranche 16	200,000	361.10	200,000	0.04	200,000	0.04
Tranche 17	100,000	327.88	100,000	0.02	100,000	0.02
Tranche 18	60,000	368.28	56,700	0.01	60,000	0.01
Tranche 19	10,000	358.90	10,000	0.00	10,000	0.00
Tranche 20	300,000	360.00	300,000	0.06	300,000	0.06
Tranche 21	75,000	363.83	75,000	0.02	75,000	0.02
Tranche 22	60,000	356.15	60,000	0.01	60,000	0.01
Tranche 23	310,000	353.95	306,700	0.06	310,000	0.06
Tranche 24	14,000	320.43	14,000	0.00	14,000	0.00
Tranche 25	425,000	320.30	425,000	0.09	425,000	0.09
Tranche 26	185,000	321.98	185,000	0.04	185,000	0.04
Tranche 27	370,000	310.85	370,000	0.07	370,000	0.07
Tranche 28	176,000	321.68	176,000	0.04	176,000	0.04
Tranche 29	315,000	312.18	265,000	0.05	315,000	0.06
Tranche 30	75,000	287.15	75,000	0.02	75,000	0.02
Tranche 31	150,000	279.70	125,000	0.03	150,000	0.03
Tranche 32	50,000	285.93	50,000	0.01	50,000	0.01
Tranche 33	155,000	361.15	155,000	0.03	-	-
Tranche 34	70,000	405.75	70,000	0.01	-	-
Tranche 35	90,000	367.08	90,000	0.02	-	-
Tranche 36	150,000	426.65	150,000	0.03	-	-
Tranche 37	50,000	452.48	50,000	0.01	-	-
Tranche 38	500,000	443.80	500,000	0.10	-	-
Tranche 39	1,000,000	387.95	1,000,000	0.20	-	-

Amount recognised in statement of profit and loss

Year ended 31 March 2026: ₹ 69.90 crores

Year ended 31 March 2025: ₹ 108.90 crores

Summary of material accounting policies and other explanatory information for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24)

(i) Name of related parties and description of relationship (entities / person with whom the Company has transactions):

A Holding Company

Rising Sun Holdings Private Limited

B Fellow Subsidiary

Poonawalla Finance Private Limited

C Member of Promoter group

Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)

Synergist Realtors Private Limited (#)

D Joint Venture

Jaguar Advisory Services Private Limited

E Director and Key Managerial Personnel ('KMP')	Nature of Relationship
Mr. Adar Cyrus Poonawalla	Chairman & Non Executive Director
Mr. Arvind Kapil	Managing Director and Chief Executive Officer (Appointed w.e.f. 10 June 2024)
Mr. Sunil Samdani	Executive Director
Mr. Vikas Pandey	Executive Director (Appointed w.e.f. 16 January 2026)
Mr. Sanjay Miranka	Chief Financial Officer
Mrs. Shabnum Zaman	Company Secretary
Mr. Prabhakar Dalal	Independent Non Executive Director
Mr. Sanjay Kumar	Independent Non Executive Director
Ms. Kemisha Soni	Independent Non Executive Director
Ms. Sonal Sanjay Modi	Non Executive Director (w.e.f. 16 August 2024)
Mr. Kewal Kundanlal Handa	Independent Non Executive Director (w.e.f. 01 October 2024)
Mr. Rajeev Sardana	Independent Non Executive Director (w.e.f. 18 December 2024)
Mr. Abhay Bhutada	Managing Director (ceased to be Director w.e.f. 09 June 2024)
Mr. Bontha Prasada Rao	Independent Non Executive Director (ceased to be Director w.e.f. 09 December 2025)
Mr. Sajid Fazalbhoy	Non Executive Director (ceased to be Director w.e.f. 01 June 2024)
Mr. Amar Sudhakar Deshpande	Non Executive Director (ceased to be Director w.e.f. 30 August 2024)
Mr. Atul Kumar Gupta	Independent Non Executive Director (ceased to be Director w.e.f. 09 December 2024)

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

(ii) Related party transactions during the year and balance receivable from and payable to related parties as at the balance sheet date:

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2026	Outstanding amount as at 31 March 2026	Transaction value for the year ended 31 March 2025	Outstanding amount as at 31 March 2025
A) Holding Company					
Rising Sun Holdings Private Limited	Issuance of equity shares capital at face value	6.63	-	-	-
	Securities premium on issue of equity shares	1,493.35	-	-	-
B) Fellow Subsidiary					
Poonawalla Finance Private Limited [#]	Leave and license agreement:				
	Rent paid	23.52	-	18.54	-
	Reimbursement of expenses	0.22	-	-	-
	Security deposit paid	2.51	6.14	-	3.63
	Loan given to PFL employee welfare trust	-	175.00	-	175.00
	Interest on loan given to PFL employee welfare trust	16.45	-	15.75	-
C) Member of Promoter group					
1 Magma General Insurance Limited (Formerly, Magma HDI General Insurance Company Limited)	Insurance advances given	27.59	2.26	18.41	2.19
	Insurance advances adjusted	27.52	-	17.26	-
	Insurance commission income	10.34	0.66	5.92	0.70
	Insurance premium paid (net)	0.15	-	6.07	-
	Advance for mediclaim policy	-	-	-	0.11
	Redemption of public issue of NCD	-	-	75.00	-
	Interest Paid on NCD	-	-	7.88	-
2 Synergist Realtors Private Limited [#]	Lease and license agreement:				
	Rent paid	2.14	-	-	-
D) Joint venture					
1 Jaguar Advisory Services Private Limited	Investment in equity shares	-	0.02	-	0.02
E) Director and Key Managerial Personnel ('KMP')					
1 Mr. Adar Cyrus Poonawalla	Sitting fees	0.04	-	0.08	-
2 Mr. Arvind Kapil	Salary	10.00	-	45.66	-
3 Mr. Vikas Pandey	Salary	0.51	-	-	-
4 Mr. Abhay Bhutada	Salary	-	-	0.42	-

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2026	Outstanding amount as at 31 March 2026	Transaction value for the year ended 31 March 2025	Outstanding amount as at 31 March 2025
5 Mr. Sunil Samdani	Salary	5.39	-	4.93	-
	Share based payments	4.17	-	-	-
	Share Capital	0.07	-	-	-
	Securities Premium	9.84	-	-	-
6 Mr. Sanjay Miranka	Salary	3.95	-	2.86	-
	Share based payments	5.74	-	2.16	-
	Share Capital	0.06	-	0.02	-
	Securities Premium	5.96	-	2.49	-
7 Mrs. Shabnum Zaman	Salary	1.26	-	1.10	-
	Share based payments	2.30	-	-	-
	Share Capital	0.02	-	-	-
	Securities Premium	2.48	-	-	-
8 Mr. Bontha Prasada Rao	Sitting fees	0.13	-	0.24	-
	Commission	0.35	0.35	0.50	0.50
9 Mr. Prabhakar Dalal	Sitting fees	0.26	-	0.33	0.01
	Commission	0.50	0.50	0.50	0.50
10 Mr. Sajid Fazalbhoj	Sitting fees	-	-	0.02	-
11 Mr. Amar Sudhakar Deshpande	Sitting fees	-	-	0.22	-
12 Mr. Sanjay Kumar	Sitting fees	0.21	-	0.27	-
	Commission	0.50	0.50	0.50	0.50
13 Mr. Atul Kumar Gupta	Sitting fees	-	-	0.26	-
14 Ms. Kemisha Soni	Sitting fees	0.27	-	0.24	0.01
	Commission	0.50	0.50	0.50	0.50
15 Ms. Sonal Sanjay Modi	Sitting fees	0.40	-	0.24	0.01
	Commission	0.50	0.50	0.31	0.31
16 Mr. Kewal Kundanlal Handa	Sitting fees	0.15	-	0.08	-
	Commission	0.50	0.50	0.25	0.25
17 Mr. Rajeev Sardana	Sitting fees	0.17	-	0.04	-
	Commission	0.50	0.50	0.14	0.14

Notes:

- Related parties identified includes related parties as per section 2(76) of the Companies Act, 2013.
- Sitting fees and director's commission values are excluding of GST.
- [#] Pursuant to Composit Scheme of Arrangement, the real estate business of Poonawalla Finance Private Limited has demerged to Synergist Realtors Private Limited effective 31 January 2026.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

45 RELATED PARTIES (DISCLOSURE AS REQUIRED BY IND AS 24) (Contd.)

(iii) Compensation of key managerial personnel

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Short-term employee benefits	19.82	54.06
Post-employment defined benefit*	1.30	0.91
Share-based payments	12.21	2.16
	33.33	57.13

*Excludes provision for encashable leave and gratuity for key management personnel as these are determined for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced on an arm’s length basis. Outstanding amount as at the end of the year, in respect of loan and advances are unsecured and to be settled in cash and / or adjusted against goods or services.

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	286.00	-	286.00	24.65	-	24.65
Bank balances other than cash and cash equivalents	7.58	0.10	7.68	7.62	0.02	7.64
Derivative financial instruments	-	340.26	340.26	-	2.82	2.82
Receivables	38.48	-	38.48	18.71	-	18.71
Loans	19,085.29	36,866.20	55,951.49	12,145.30	20,549.66	32,694.96
Investments	2,456.12	34.34	2,490.46	1,233.29	23.06	1,256.35
Other financial assets	168.53	167.91	336.44	118.95	63.24	182.19
	22,042.00	37,408.81	59,450.81	13,548.52	20,638.80	34,187.32
Non-financial assets						
Current tax assets (net)	-	133.38	133.38	-	141.51	141.51
Deferred tax assets (net)	-	72.70	72.70	-	205.48	205.48
Investment property	-	0.07	0.07	-	0.07	0.07
Property, plant and equipment	-	97.43	97.43	-	55.01	55.01
Intangible assets under development	-	7.01	7.01	-	10.43	10.43
Other intangible assets	-	26.07	26.07	-	16.41	16.41
Right to use assets	65.17	231.55	296.72	45.33	126.98	172.31
Other non-financial assets	46.66	90.01	136.67	38.53	66.89	105.42
	111.83	658.22	770.05	83.86	622.78	706.64
Assets held for sale	50.70	-	50.70	50.70	-	50.70
	22,204.53	38,067.03	60,271.56	13,683.08	21,261.58	34,944.66
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	-	1.66	1.66
Payables	4.88	-	4.88	4.25	-	4.25
Debt securities	4,248.25	10,541.93	14,790.18	450.00	1,213.99	1,663.99
Borrowings (other than debt securities)	13,109.66	19,823.47	32,933.13	13,390.89	10,588.08	23,978.97
Subordinated liabilities	110.11	264.88	374.99	111.56	126.03	237.59

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

46 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Lease liabilities	62.38	275.12	337.50	43.92	156.77	200.69
Other financial liabilities	1,395.51	20.56	1,416.07	614.58	12.91	627.49
	18,930.79	30,925.96	49,856.75	14,615.20	12,099.44	26,714.64
Non-financial liabilities						
Current tax liabilities (Net)	0.16	-	0.16	0.24	-	0.24
Provisions	2.18	17.89	20.07	1.51	11.16	12.67
Other non-financial liabilities	33.99	12.35	46.34	24.71	17.74	42.45
	36.33	30.24	66.57	26.46	28.90	55.36
	18,967.12	30,956.20	49,923.32	14,641.66	12,128.34	26,770.00

47 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments (to the extent not provided for)

a) Contingent liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Claims against the Company not acknowledged as debt		
i) Income tax matters under dispute	1.30	2.65
ii) VAT and GST matters under dispute	7.42	7.31
iii) Service tax matters under dispute	6.18	6.18
iv) Legal cases against the Company*	2.39	2.26
v) Bank guarantees provided	0.19	0.32

*The Group is involved in certain litigations and claims, including collection and repossession related matters, arising in the ordinary course of business, which are pending before various judicial authorities. However, there are no significant claims on such cases. Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/decisions pending with the relevant authorities.

b) The amount included above represents best possible estimate arrived at on the basis of available information. The Management believes that it has a reasonable case in its defense of the proceedings and does not expect any material adverse impact on its financial position, except to the extent provided for accordingly no further provision has been created.

c) The Company has certain litigations pending with various appellate authorities which have arisen in the ordinary course of business. The Company has reviewed all such pending litigations having a potential impact on the financial position, and has adequately provided for where provisions are required and disclosed the contingent liabilities arising out of these litigations, where applicable, in its standalone financial statements.

d) Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	27.91	19.45
ii) Undrawn loan commitment	761.64	516.13

e) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

48 INTEREST IN OTHER ENTITIES

Interests in joint ventures

The joint venture listed below has share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The below joint venture is by the virtue of contractual agreement.

Name of the company	Place of business/ country of incorporation	Relationship	Accounting method	Ownership interest held by the group (in %)		Carrying value		Principal activities
				As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025	
Jaguar Advisory Services Private Limited (JASPL)*	India	Joint venture	Equity method	48.89	48.89	50.70	50.70	Manpower and Advisory Services

*Refer Note 18

The joint venture company is unlisted and hence no quoted price is available. Accordingly fair values for the same is not disclosed.

49 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IS GIVEN BELOW:

(a) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As at 31st March 2026

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Holding								
Poonawalla Fincorp Limited	99.51	10,297.56	100.00	541.81	100.00	24.70	100.00	566.51
Joint Venture (as per the equity method)								
- Indian								
Jaguar Advisory Services Private Limited (JASPL)*	0.49	50.68	-	-	-	-	-	-
Total Eliminations/ Consolidation Adjustments	-	-	-	-	-	-	-	-
	100.00	10,348.24	100.00	541.81	100.00	24.70	100.00	566.51

As at 31 March 2025

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Poonawalla Fincorp Limited	99.38	8,123.98	100.00	(98.34)	100.00	(14.08)	100.00	(112.42)
Joint Venture (as per the equity method)								
- Indian								
Jaguar Advisory Services Private Limited (JASPL)	0.62	50.68	-	-	-	-	-	-
Total Eliminations/ Consolidation Adjustments	-	-	-	-	-	-	-	-
	100.00	8,174.66	100.00	(98.34)	100.00	(14.08)	100.00	(112.42)

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

50 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Particulars	As at 31 March 2026			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	286.00	-	-	286.00
Bank balance other than cash and cash equivalents	7.68	-	-	7.68
Derivative financial instruments	-	-	340.26	340.26
Receivables	38.48	-	-	38.48
Loans	55,951.49	-	-	55,951.49
Investments*	1,575.64	35.65	879.17	2,490.46
Other financial assets	336.44	-	-	336.44
	58,195.73	35.65	1,219.43	59,450.81
Financial liabilities:				
Derivative financial instruments	-	-	-	-
Payables	4.88	-	-	4.88
Debt securities	14,790.18	-	-	14,790.18
Borrowings (other than debt securities)	32,933.13	-	-	32,933.13
Subordinated liabilities	374.99	-	-	374.99
Lease liabilities	337.50	-	-	337.50
Other financial liabilities	1,416.07	-	-	1,416.07
	49,856.75	-	-	49,856.75

Particulars	As at 31 March 2025			
	Amortised cost	FVTPL	FVTOCI	Total
Financial assets:				
Cash and cash equivalents	24.65	-	-	24.65
Bank balance other than cash and cash equivalents	7.64	-	-	7.64
Derivative financial instruments	-	-	2.82	2.82
Receivables	18.71	-	-	18.71
Loans	32,694.96	-	-	32,694.96
Investments*	654.63	98.76	502.96	1,256.35
Other financial assets	182.19	-	-	182.19
	33,582.78	98.76	505.78	34,187.32
Financial liabilities:				
Derivative financial instruments	-	-	1.66	1.66
Payables	4.25	-	-	4.25
Debt securities	1,663.99	-	-	1,663.99
Borrowings (other than debt securities)	23,978.97	-	-	23,978.97
Subordinated liabilities	237.59	-	-	237.59
Lease liabilities	200.69	-	-	200.69
Other financial liabilities	627.49	-	-	627.49
	26,712.98	-	1.66	26,714.64

*Investment in joint venture has been classified as assets held for sale as on 31 March 2026 and 31 March 2025.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

50 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost / other and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2026	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	879.17	35.65	-	914.82
Derivative financial instruments	-	340.26	-	340.26
Financial liabilities:				
Derivative financial instruments	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2026	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	286.00	286.00	286.00	-	-
Bank balance other than cash and cash equivalents	7.68	7.68	7.68	-	-
Receivables	38.48	38.48	-	-	38.48
Loans	55,951.49	55,906.77	-	-	55,906.77
Investments	1,575.64	1,575.64	1,575.64	-	-
Other financial assets	336.44	336.44	-	-	336.44
	58,195.73	58,151.01	1,869.32	-	56,281.69
Financial liabilities:					
Payables	4.88	4.88	-	-	4.88
Debt securities	14,790.18	14,725.10	-	14,725.10	-
Borrowings (other than debt securities)	32,933.13	32,933.13	-	32,933.13	-
Subordinated liabilities	374.99	373.28	-	373.28	-
Lease liabilities	337.50	337.50	-	-	337.50
Other financial liabilities	1,416.07	1,416.07	-	-	1,416.07
	49,856.75	49,789.96	-	48,031.51	1,758.45

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at 31 March 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments	502.96	98.76	-	601.72
Derivative financial instruments	-	2.82	-	2.82
Financial liabilities:				
Derivative financial instruments	-	1.66	-	1.66

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

50 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

As at 31 March 2025	Amortised cost	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalents	24.65	24.65	24.65	-	-
Bank balances other than cash and cash equivalents	7.64	7.64	7.64	-	-
Trade receivables	18.71	18.71	-	-	18.71
Loans	32,694.96	32,681.26	-	-	32,681.26
Investments	654.63	654.63	650.98	3.65	-
Other financial assets	182.19	182.19	-	-	182.19
	33,582.78	33,569.08	683.27	3.65	32,882.16
Financial liabilities:					
Payables	4.25	4.25	-	-	4.25
Debt securities	1,663.99	1,678.95	-	1,678.95	-
Borrowings (other than debt securities)	23,978.97	23,978.97	-	23,978.97	-
Subordinated liabilities	237.59	244.03	-	244.03	-
Lease liabilities	200.69	200.69	-	-	200.69
Other financial liabilities	627.49	627.49	-	-	627.49
	26,712.98	26,734.38	-	25,901.95	832.43

Financial instruments valued at carrying value

The respective carrying values of certain on-balance sheet financial instruments approximate their fair value. These financial instruments include cash in hand, balances with other banks, receivables, payables and certain other financial assets and liabilities, with maturities less than a year from the balance sheet date. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivable or payable on demand.

C. Valuation framework

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instrument but do not qualify as Level 1 inputs. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based in observable market data, the instruments is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

50 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT (Contd.)

Financial instruments measured at fair value and fair value of financial instruments carried at amortised cost

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value and sensitivity
Financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	Not applicable	Not applicable
Financial assets and liabilities measured at FVOCI	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.	The discount rate is the average lending rate at which the loans are disbursed.	There is an inverse correlation. Higher the discount rate i.e average lending rate for the disbursed loans, lower the fair value of the assets.
Financial assets measured at FVTPL	NAV based method	Not applicable	Not applicable
Investment	NAV based method	Not applicable	Not applicable

51 FINANCIAL RISK MANAGEMENT

In the normal course of doing its business the company is exposed to certain inherent financial risks in the form of credit risk, market risk, operational risk, liquidity risk, interest rate risk, compliance risk, reputational risk, etc.

i Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to increase shareholders' value and achieve a return on equity that is commensurate with the risks assumed. To achieve this objective, the Company employs leading risk management practices and recruits skilled and experienced people.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's asset on finance.

The carrying amounts of financial assets represent the maximum credit risk exposure.

a) Credit risk management

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or past due event
- When a borrower becomes more than 90 days past due in its contractual payments

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

The Risk Management Committee has established credit policies for various lending products under which each new customer is analyzed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes background verification, financial statements, income tax returns, GST details, credit bureau information, industry information, etc (as applicable).

b) Probability of default (PD)

Analysis of historical data regarding days past due (DPD) or delinquency of loans is the primary input into the determination of the term structure of PD for exposures. The Company collects performance and default information about its credit risk exposures analysed by type of product or borrower as well as by DPD. The Company employs statistical methods to analyse the data collected and generate estimates of the PD of exposures.

In case of newly launched products, where the Company does not have sufficient historical data to estimate PD, it uses industry level aggregate data obtained from credit bureaus, or third-party data providers or performance of an existing product which closely resembles the new product. In cases where investments are made in instruments that, in substance, constitute financing activities and are classified under loans, the applicable staging norms, PD and LGD rates shall align with those prescribed for corporate/NBFC loans. In case of products having maturity less than 12 months, a tenure adjustment is undertaken on annualised PD rates to address shorter tenure of the product.

Expected loss has been calculated as an unbiased and probability-weighted amount for multiple scenarios. The probability of default has been calculated for 3 scenarios: upside (16% probability), downside (16%) and base (68%). These weightages have been decided on best practices and judgement.

c) Definition of default

The Company considers a financial instrument defaulted, and therefore Stage 3 (credit-impaired), for ECL calculations in all cases when the borrower becomes more than 90 DPD from its contractual payments or has been classified as NPA as per regulatory classification. The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk (SICR) on an ongoing basis throughout each reporting period. To assess whether there is SICR, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. Following indicators are incorporated:

- DPD analysis as on each reporting date, and
- significant increase in credit risk on other financial instruments of same borrower

d) Exposure at default (EAD)

The exposure at default (EAD) for ECL computation represents the principal outstanding, installment overdue, accrued interest, future interest post discounting as key components and some other adjustments of the financial instruments subject to the impairment calculation;

To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

e) Loss given default (LGD)

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. Stage 1, Stage 2 and Stage 3.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

For newly launched products, where historical collection data is not available or is insufficient, the Company either uses the collection performance of an existing product which closely resembles the new product or industry level aggregate data obtained from credit bureaus / third-party data providers, appropriate product specific LGD estimation method, or reports published by recognised institution, or regulatory guidance available if any.

In case of certain loan products having an inherent unsecured component (e.g. loans where Loan-to-Value is greater than 100%), the LGD rate is derived through a combination of respective secured and unsecured LGD rates. Loss Given Default (LGD) for Stage 2 and Stage 3 for wholesale exposures (NBFC, Corporate and SCF portfolio) is determined on a case-by-case basis, on the basis of resolution / collection / curing strategy adopted for each borrower.

f) Discounting

ECL is computed by estimating timing of expected credit shortfalls associated with defaults and discounting them using effective interest rate.

g) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company also applies other qualitative factors for triggering a significant increase in credit risk for an asset, such as restructuring. Regardless of the change in credit profile, if the contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Similarly, if external credit rating of a corporate borrower is downgraded to non-investment grade from investment grade, this will trigger review to determine the significant increase of credit risk from the initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans and other credit exposures accounted for at amortised cost and FVOCI. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) **Stage 1:** 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognized.
- (b) **Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) **Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is recognized on net basis.

h) Expected Credit Loss on Loans

The Company assesses whether the credit risk on a financial asset has increased significantly on collective basis. For the purpose of collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, product type, collateral type, and other relevant factors.

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

The Company considers defaulted assets as those which are contractually 90 days past due, other than those assets where there is empirical evidence to the contrary. Financial assets which are contractually more than 30 days and upto 90 days past due are classified under Stage 2 - life time ECL, not credit impaired, barring those where there is empirical evidence to the contrary. An asset migrates down the ECL stage based on the change in the risk of a default occurring since initial recognition. If in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision stage reverses to 12-months ECL from lifetime ECL.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default. These parameters are derived from the Company's internally developed models and other historical data and where the Company does not have sufficient historical data, it uses regulatory guidance available, if any or benchmark rates obtained from external sources like research agencies, credit bureaus, or publicly available information. In addition, the Company uses reasonable and supportable information on future economic conditions including macroeconomic factors. Since incorporating these forward looking information increases the judgment as to how the changes in these macroeconomic factor will affect ECL, the methodology and assumptions are reviewed regularly.

In case of any portfolio or a segment thereof showing abnormal delinquency behaviour, the ECL approach is reviewed and adjusted to reflect adequate provisioning in line with the risk profile. The Company also provides for expected credit loss on undrawn loan commitments wherever applicable.

Forward looking information

In its ECL models, the Company relies on a broad range of forward looking information as macro economic inputs. As required by Ind AS 109, Macro Economic (ME) overlays are required to be factored in ECL models and accordingly, Company has used Consumer Price Index (CPI) as the relevant ME variable. Overtime, new ME variables may emerge to have a better correlation and may replace ME being used now. In case of improvement in PD rates after application of macroeconomic (ME) factors, the same are conservatively kept at pre-application level for such products where PD rates are derived basis external benchmark or publicly available industry reports or default transition studies or credit bureau data, etc

Policy on write off of loan assets

Financial assets are fully provided for or written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit and loss on actual realization from customer.

The following table provides information about the exposure to credit risk and expected credit loss for assets on finance.

Loans measured at amortised cost

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at 31 March 2026				
Current (not past due)	54,890.08	0.52%	287.97	No
Upto 30 days overdue	497.94	7.86%	39.15	No
More than 30 days and upto 60 days overdue	389.00	15.26%	59.35	No
More than 60 days and upto 90 days overdue	194.99	26.38%	51.43	No
More than 90 days overdue	818.38	49.00%	401.00	Yes
	56,790.39	1.48%	838.90	

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

Particulars	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
As at 31 March 2025				
Current (not past due)	31,806.92	1.07%	340.33	No
Upto 30 days overdue	588.27	16.09%	94.64	No
More than 30 days and upto 60 days overdue	410.57	24.04%	98.72	No
More than 60 days and upto 90 days overdue	212.96	33.68%	71.73	No
More than 90 days overdue	618.65	54.47%	336.99	Yes
	33,637.37	2.80%	942.41	

Expected credit loss on trade and other receivables

Trade/other receivables primarily includes receivables against support services, operating lease and sale of power. The Company follows ‘simplified approach’ for recognition of impairment loss allowance on trade/ other receivables that do not contain a significant financing component. The application of simplified approach does not require to track changes in credit risk. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. It holds the trade/other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost, less loss allowance.

Cash and cash equivalents and bank balance other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balance other than cash and cash equivalents of ₹ 293.68 crores at 31 March 2026 (31 March 2025: ₹ 32.29 crores). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows:

(i) Movements in the gross carrying amount in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of gross carrying amount	Stage 1	Stage 2	Stage 3
Gross carrying amount on 1 April 2024	22,161.96	614.97	268.45
Transfer to Stage 1	49.50	(41.84)	(7.66)
Transfer to Stage 2	(460.82)	462.58	(1.76)
Transfer to Stage 3	(487.57)	(53.70)	541.26
Loan assets originated or purchased (net of repayments)	23,042.46	209.11	441.14
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(10,992.71)	(192.76)	(55.76)
Impact of changes in credit risk on account of stage movements	(22.03)	(144.13)	(145.46)
Write offs	(895.60)	(230.70)	(421.56)
Gross carrying amount on 31 March 2025	32,395.19	623.53	618.65
Transfer to Stage 1	73.21	(56.91)	(16.30)
Transfer to Stage 2	(482.37)	491.22	(8.85)
Transfer to Stage 3	(647.70)	(72.26)	719.96
Loan assets originated or purchased (net of repayments)	39,847.36	193.33	256.16
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(15,350.58)	(169.30)	(143.11)
Impact of changes in credit risk on account of stage movements	(25.37)	(145.46)	(174.57)
Write offs	(421.72)	(280.16)	(433.56)
Gross carrying amount on 31 March 2026	55,388.02	583.99	818.38

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

(ii) Movements in the allowance for impairment in respect of loans, i.e. asset on finance

Loans measured at amortised cost

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2024	747.66	118.72	132.59
Transfer to Stage 1	8.87	(6.09)	(2.78)
Transfer to Stage 2	(19.30)	20.19	(0.89)
Transfer to Stage 3	(14.24)	(8.42)	22.66
Loan assets originated or purchased	208.99	84.33	274.49
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(11.23)	(15.96)	(27.00)
Impact of changes in credit risk on account of stage movements	(6.27)	53.67	180.45
Write offs	(479.51)	(75.99)	(242.53)
Loss allowance on 31 March 2025	434.97	170.45	336.99
Transfer to Stage 1	12.17	(5.51)	(6.66)
Transfer to Stage 2	(12.65)	15.91	(3.27)
Transfer to Stage 3	(18.14)	(10.81)	28.96
Loan assets originated or purchased	228.98	50.28	138.17
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(88.08)	(3.65)	(88.23)
Impact of changes in credit risk on account of stage movements	(11.11)	39.10	232.10
Write offs	(219.02)	(144.99)	(237.06)
Loss allowance on 31 March 2026	327.12	110.78	401.00

Represents the movement of loan accounts that were classified as Stage 1 or Stage 2 in the previous year but were written off during the current year upon becoming NPAs.

(iii) Movements in ECLs in relation to trade receivable and undrawn loan commitments is as follows:

Reconciliation of loss allowance	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
	Stage 1	Stage 2	Stage 3
Loss allowance on 1 April 2024	13.27	-	-
Add: Provision made during the year	2.39	0.11	-
Less: Write off/write back of excess ECL during the year	-	-	-
Loss allowance on 31 March 2025	15.66	0.11	-
Add: Provision made during the year	0.85	-	-
Less: Write off/write back of excess ECL during the year	7.42	0.11	-
Loss allowance on 31 March 2026	9.09	-	-

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Upon renegotiation, such accounts are classified as Stage 2 or Stage 3 depending upon nature and status of account at the time of renegotiation. Such accounts are upgraded only upon observation of satisfactory repayments of one year from the date of renegotiation.

Summary of material accounting policies and other explanatory information
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51 FINANCIAL RISK MANAGEMENT (Contd.)

Exposure to modified financial assets not resulting in de-recognition:

Particulars	As at 31 March 2026	As at 31 March 2025
Gross carrying amount	13.04	24.72
Loss allowance	2.43	5.91
Net carrying amount	10.61	18.81

(i) Concentration risk

Pursuant to the guidelines of the RBI, credit exposure to a single party must not exceed 25% of Tier 1 capital and 40% of Tier 1 capital of the Company to a single group of parties. The Company is in compliance with these guidelines.

In addition, the Company views the concentration of risk on the basis of below product category.

Loans (carrying value)	As at 31 March 2026	As at 31 March 2025
Asset backed finance (ABF)	7,025.87	5,306.31
Loan against property (LAP)	15,397.24	8,753.87
Personal and Consumer finance	15,180.08	7,625.18
Business loan and Professional loan	7,767.57	5,475.71
Mid-market lending*	9,244.88	6,475.45
Education loan	875.58	0.85
Gold loan	1,299.17	-
Total	56,790.39	33,637.37

Loans (%)	As at 31 March 2026	As at 31 March 2025
Asset backed finance (ABF)	12.37%	15.78%
Loan against property (LAP)	27.11%	26.02%
Personal and Consumer finance	26.73%	22.67%
Business loan and Professional loan	13.68%	16.28%
Mid-market lending*	16.28%	19.25%
Education loan	1.54%	-
Gold loan	2.29%	-
Total	100.00%	100.00%

*Includes NBFC loans and supply chain finance.

Fair value of collateral relating to credit impaired financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Collateral value of underlying assets	512.05	299.94

Summary of material accounting policies and other explanatory information
for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

51 FINANCIAL RISK MANAGEMENT (Contd.)

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions in a timely manner, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company has obtained fund and non-fund based working capital lines from various banks and financial institutions. Further, the Company has access to funds from debt markets through commercial paper, non-convertible debentures and other debt instruments including term loans & external commercial borrowings. Cash Credit/WCDL limits are renewed on annual basis and are therefore revolving in nature.

Exposure to liquidity risk

The following are the remaining gross and undiscounted contractual maturities of financial liabilities (including interest portion) at the reporting date.

As at 31 March 2026	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Payables	4.88	4.88	4.88	-	-	-
Debt securities	14,790.18	17,250.22	4,829.80	9,037.55	2,672.12	710.75
Borrowings (other than debt securities)	32,933.13	36,851.33	14,964.97	16,099.20	5,706.80	80.36
Subordinated liabilities	374.99	577.93	126.14	58.58	40.90	352.31
Lease liabilities	337.50	427.23	88.21	155.77	96.12	87.13
Other financial liabilities	1,416.07	1,416.07	1,395.50	4.87	1.17	14.53
Total	49,856.75	56,527.66	21,409.50	25,355.97	8,517.11	1,245.08

As at 31 March 2025	Contractual cash flows					
	Carrying amount	Gross nominal outflow	0-12 months	1-3 years	3-5 years	More than 5 years
Financial liabilities						
Derivative financial instruments	1.66	1.66	-	1.66	-	-
Payables	4.25	4.25	4.25	-	-	-
Debt securities	1,663.99	1,947.90	537.40	871.06	539.44	-
Borrowings (other than debt securities)	23,978.97	26,522.48	14,528.51	9,248.94	2,745.03	-
Subordinated liabilities	237.59	275.48	133.83	141.65	-	-
Lease liabilities	200.69	245.87	59.53	102.53	56.54	27.27
Other financial liabilities	627.49	627.49	627.49	-	-	-
Total	26,714.64	29,625.13	15,891.01	10,365.84	3,341.01	27.27

Summary of material accounting policies and other explanatory information
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51 FINANCIAL RISK MANAGEMENT (Contd.)

iv. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company – primarily ₹. In cases where the borrowings are denominated in foreign currency, the Company uses derivatives to manage market risks.

a) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing financial assets/liabilities. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and funding requirements for its day to day operations like short-term loans.

The Company has USD denominated liability (external commercial borrowings) at floating rate of interest causing volatility in the cash flow arising on principal and interest repayment.

Management aims to hedge the volatility with appropriate derivative instruments. Accordingly, the company has entered into cross currency swaps with tenor and maturity matching with the underlying cashflow.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Financial assets	43,194.20	25,433.45
Financial liabilities	23,116.35	8,507.24
Variable rate instruments		
Financial assets	16,256.61	8,753.87
Financial liabilities	26,740.40	18,207.40

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 bps in interest rate at the reporting date would have increased or decreased profit or loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or (loss)	
	100 bps increase	100 bps decrease
As at 31 March 2026		
Variable rate instruments	(104.84)	104.84
As at 31 March 2025		
Variable rate instruments	(94.54)	94.54

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

Summary of material accounting policies and other explanatory information
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51 FINANCIAL RISK MANAGEMENT (Contd.)

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year-end balances are not necessarily representative of the average debt outstanding during the year. This analysis assumes that all other variables remain constant.

b) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowings i.e unfavourable movement in the USD INR conversion rate charged by the bank on USD loan repayment and interest settlement from time to time. The Company has hedged the entire ECB exposure for the full tenure as per Board approved Risk Management Policy. The Company has entered into cross currency swaps with strategy which aims to hedge a defined portion of the exposure to USD-INR exchange rate volatility on borrowings and interest repayable in USD. The Company's risk management policy is to hedge 100% of its foreign currency exposure. The Company uses Cross Currency Swaps to hedge its currency risk and applies a hedge ratio of 1:1. The Asset Liability Committee periodically reviews and monitors risk involved in the transactions. These contracts are designated as cash flow hedges. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In these hedge relationships, there are no hedge ineffectiveness because it is hedged to extent of 100% of principal and interest amount of external commercial borrowings.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
	Exposure*	
External commercial borrowings	2,758.80	1,477.40
Notional amount of derivative instrument	2,758.80	1,477.40

*The amount mentioned are in functional currency INR (₹) however the underlying exposure is in USD (\$)

Hedging framework

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Nature and conditions of outstanding derivative contacts:

Particulars	Notional Amount	Fair value asset	Fair value liability	Effective portion of Cash flow hedge reserve
Cash flow hedge				
Cross currency swaps				
31 March 2026	2,758.80	340.26	-	13.60
31 March 2025	1,477.40	2.82	1.66	(12.68)

Refer Note 46 for maturity analysis of derivative financial instrument

Summary of material accounting policies and other explanatory information
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51 FINANCIAL RISK MANAGEMENT (Contd.)

v. Legal and operational risk

Legal risk

Legal risk is the risk relating to losses due to legal or regulatory action that invalidates or otherwise precludes performance by the end user or its counterparty under the terms of the contract or related netting agreements.

The Company has developed preventive controls and formalised procedures to identify legal risks, so that potential losses arising from non-adherence to laws and regulations, negative publicity, etc. are significantly reduced.

As at 31 March 2026, there were legal cases pending against the Company aggregating ₹ 2.39 crores (31 March 2025: ₹ 2.26 crores). Based on the opinion of the Company's legal advisors, the management believes that no substantial liability is likely to arise from these cases.

Operational risk

Operational risk framework is designed to cover all functions and verticals towards identifying the key risks in the underlying processes.

The framework, at its core, has the following elements:

1. Documented Operational Risk Management Policy and Standard Operating Procedures (SOP)
2. Third party risk management through Outsourcing Risk Policy and SOP
3. Well defined Governance Structure
4. Use of Identification & Monitoring tools and like Risk Control Self- Assessment (RCSA), Key Risk Indicators (KRIs), Risk Appetite Statements (RAS) and Control testing
5. Standardized reporting templates, reporting structure and frequency
6. Regular workshops and training for enhancing awareness and risk culture
7. Documented BCM Framework

The Company has adopted the globally accepted 3-lines of defense approach to risk management.

First line – Each function/vertical undergoes transaction testing to evaluate internal compliance and thereby lay down processes for further improvement. Thus, the approach is “bottom-up”, ensuring acceptance of findings and faster adoption of corrective actions, if any, to ensure mitigation of perceived risks.

Second line – Independent risk management vertical supports the first line in developing risk mitigation strategies and provides oversight through regular monitoring. All key risks are presented to the Risk Management Committee on a quarterly basis.

Third line – Internal Audit conducts periodic risk-based audits of all functions and process to provide an independent assurance to the Audit Committee.

During the year ended 31 March 2026, the Operational Risk (OR) team has helped to identify, assess, monitor and mitigate risks across the organization. RCSA exercises, Internal Finance Control ('IFC') testing and KRI monitoring have been conducted for key business units / support functions, and action plans have been developed to plug process gaps. Apart from this quarterly RAS monitoring, Outsourcing Risk management and Business continuity testing was also undertaken during the Financial year. The OR team helps senior management to monitor risks through quarterly reporting of OR information to the Operational Risk Management Committee (ORMC) and the RMC.

Summary of material accounting policies and other explanatory information
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52 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at 01 April 2025	Loan taken	Loan paid	Non cash changes*	As at 31 March 2026
Debt securities	1,663.99	13,581.64	(450.00)	(5.45)	14,790.18
Borrowings (other than debt securities)	23,978.97	16,006.40	(7,351.55)	299.31	32,933.13
Subordinated liabilities	237.59	250.00	(112.00)	(0.60)	374.99
Lease liabilities	200.69	-	(77.54)	214.35	337.50
Total Liabilities from financing activities	26,081.24	29,838.04	(7,991.09)	507.61	48,435.80

Particulars	As at 01 April 2024	Loan taken	Loan paid	Non cash changes*	As at 31 March 2025
Debt securities	1,227.09	959.92	(522.68)	(0.34)	1,663.99
Borrowings (other than debt securities)	13,616.13	19,129.67	(8,781.20)	14.37	23,978.97
Subordinated liabilities	236.91	-	-	0.68	237.59
Lease liabilities	135.59	-	(44.42)	109.52	200.69
Total Liabilities from financing activities	15,215.72	20,089.59	(9,348.30)	124.23	26,081.24

* Represents adjustments on account of EIR and other adjustments as required under Ind AS.

53 REVENUE FROM CONTRACTS WITH CUSTOMERS (DISCLOSURE AS REQUIRED BY IND AS 115)

(a) Below table provides disaggregation of the Company's revenue from contracts with customers:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue by type of service		
Fees and commission income	419.75	192.26
Other income	5.47	33.08
Total	425.22	225.34
Revenue by geographical markets		
India	425.22	225.34
Outside India	-	-
Total	425.22	225.34
Revenue by timing of recognition of revenue		
Performance obligation satisfied at a point in time	425.22	225.34
Performance obligation satisfied over period of time	-	-
Total	425.22	225.34

Particulars	As at 31 March 2026	As at 31 March 2025
(b) Trade and other receivables	38.48	18.71
	38.48	18.71

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

54 ADDITIONAL INFORMATION

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The quarterly information statement filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- The Company has not been declared as Wilful defaulter by any banks, financial institution or other lenders.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The provision related to number of layers as prescribed under section 2(87) of the Companies Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to Company.
- The Company has not advanced or given loans or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries), with the understanding that the intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries), or provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries, except loans or advances given in the normal course of business.
- The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries), or provide any guarantee, security, or the like on behalf of the ultimate beneficiaries, except for loans or advances given in the normal course of business.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company used accounting software to maintain its books of account for the year ended 31 March 2026, with audit trail (edit log) features enabled at both application and database levels, in line with the requirements of MCA notification. However, for one of the accounting software, the audit trail logs at the database level were preserved effective 26 June 2024 onwards.

- Relationship with Struck off Companies:

Disclosure of transactions with the companies struck off -

Particulars	Nature of transactions with struckoff Companies	Balance outstanding as at 31 March 2026 (₹ in crores)	Relationship with the Struck off companies
Magnum Management Services Private Limited	Loan receivables	0.39	External
Vrb Hitech Publishers Private Limited	Loan receivables	1.33	External
Ugetship Impex Private Limited	Loan receivables	0.00	External
Srm Resources Pvt. Ltd.	Loan receivables	0.07	External
Geethika Tradelinks Limited	Loan receivables	0.00	External

- The Company has not entered into any scheme of arrangements which has an accounting impact on current/previous financial year.
- The Company has not carried out any revaluation of property, plant and equipment during the year ended 31 March 2026 and 31 March 2025.

Summary of material accounting policies and other explanatory information

for the year ended 31 March 2026 (Contd.)

(All amounts are in ₹ crores unless otherwise stated)

55 OPERATING SEGMENTS

The Company is engaged primarily in the business of financing and there are no separate reportable segments as per Ind AS 108. The Executive Committee of the Company has been identified as the Chief Operating Decision Maker (CODM) pursuant to the requirements of Ind AS 108, "Operating Segments." The Company's operating segments are established in the manner consistent with the components of the Company that are reviewed regularly by the CODM for the purpose of allocation of resources and evaluation of performance. The Company does not have operations outside India and hence there is no external revenue or assets which require disclosure. The Company does not derive revenue, from any single customer, 10% or more of company's total income.

56 SUBSEQUENT EVENT

Subsequent to the balance sheet date, the Company completed a Qualified Institutions Placement ("QIP") on 13 April 2026 by issuing 67,430,883 equity shares, having face value of ₹ 2 each, at an issue price of ₹ 370.75 per share, aggregating to ₹ 2500.00 crores, in compliance with provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (ICDR) Regulations. As the QIP was completed after the reporting period, it has been treated as a non-adjusting event and no impact has been made to the consolidated financial statements for the year ended 31 March 2026.

- 57** Figures of previous year have been regrouped/reclassified, wherever necessary, to make them comparable with current year.

As per our report of even date

For and on behalf of the Board of Directors of
Poonawalla Fincorp Limited

For M S K A & Associates LLP
(Formerly Known as M S K A and Associates)
Chartered Accountants
Firm Registration No:105047W/W101187

Vikram Dhanania
Partner
Membership No: 060568

Place: Mumbai
Date: 05 May 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration
No:105215W/W100057

Sandeep D. Welling
Partner
Membership No: 044576

Place: Mumbai
Date: 05 May 2026

Sunil Samdani
Executive Director
(DIN: 10301175)

Shabnum Zaman
Company Secretary
Membership No: 13918

Place: Mumbai
Date: 05 May 2026

Arvind Kapil
Managing Director & CEO
(DIN: 10429289)

Sanjay Miranka
Chief Financial Officer

Place: Mumbai
Date: 05 May 2026

CORPORATE INFORMATION

CIN: L51504PN1978PLC209007

BOARD OF DIRECTORS

- Mr. Adar Cyrus Poonawalla**
Chairman, Non-Executive Director
- Mr. Arvind Kapil**
Managing Director and CEO
- Mr. Sunil Samdani**
Executive Director
- Mr. Vikas Pandey**
Executive Director
(w.e.f. January 16, 2026)
- Ms. Sonal Modi**
Non-Executive Director
- Mr. Prabhakar Dalal**
Independent Director
- Mr. Sanjay Kumar**
Independent Director
- Ms. Kemisha Soni**
Independent Director
- Mr. Kewal Handa**
Independent Director
- Mr. Rajeev Sardana**
Independent Director
- CHIEF FINANCIAL OFFICER**
Mr. Sanjay Miranka
- COMPANY SECRETARY**
Ms. Shabnum Zaman
- BANKERS/FIS**
 - » Axis Bank Limited
 - » Bank of Maharashtra
 - » Bank of Baroda
 - » Bank of India
 - » Bandhan Bank Limited
 - » Canara Bank
 - » DBS Bank of India Ltd
 - » Federal Bank Limited
 - » HDFC Bank Limited
 - » Indian Bank
 - » ICICI Bank Limited
 - » IDBI Bank Limited
 - » Indian Overseas Bank
 - » Jammu & Kashmir Bank
 - » Karnataka Bank
 - » National Bank for Agriculture and Rural Development (NABARD)
 - » Punjab National Bank
 - » Punjab & Sind Bank
 - » State Bank of India
 - » Small Industries Development Bank of India (SIDBI)
 - » South Indian Bank
 - » Union Bank of India
 - » UCO Bank
 - » Woori Bank
 - » Yes Bank

JOINT STATUTORY AUDITORS

- MSKA & Associates LLP**
Chartered Accountants
602, 6th Floor, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Mumbai – 400063.
- Kirtane & Pandit LLP**
Chartered Accountants
601,6th Floor, Earth Vintage Senapati Bapat Marg ,
Dadar West, Mumbai – 400028.

SECRETARIAL AUDITOR

- SIUT & Co. LLP**
Practicing Company Secretaries
MSR Capital, Office no. 15, 2nd Floor,
Morwadi Court Road, Pimpri, Pune – 411018.

CORPORATE OFFICE

- Unit No 2401, 24th Floor, Altimus,
Dr G.M. Bhosale Marg,
Worli, Mumbai-400018 Maharashtra
Tel: (022) 47733220

REGISTERED OFFICE

- 201 and 202, 2nd floor, AP81, Koregaon Park Annex,
Mundhwa, Pune – 411 036 Maharashtra
Tel: (020) 67808090
E-mail :secretarial@poonawallafincorp.com
Website: www.poonawallafincorp.com

REGISTRAR TO AN ISSUE AND

- SHARE TRANSFER AGENT**
MUFG Intime India Private Limited
(Formerly known as Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel:. (022) 49186000
E-mail: investor.helpdesk@in.mpms.mufg.com
Website : www.in.mpms.mufg.com

K Fin Technologies Limited

- (Retail Non-Convertible Debentures)
Selenium Tower - B,
Plot No. 31-32, Financial District Nanakramguda,
Serilingampally,
Hyderabad, Rangareddi,
Telangana - 500032, India.
Tel: (040) 6716 2222
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

LIST OF POLICIES

Sr. No.	Name of the Policy	Description of/Link to the Policy
1.	Policy for determining Material Subsidiary	https://poonawallafincorp.com/documents/20121/0/Policy+on+Material+Subsidiary_Website+Version+No.+6.0.pdf/66667a92-58a0-08d2-e6fb-6c29126cbb70
2.	Dividend Distribution Policy	https://poonawallafincorp.com/documents/20121/0/4.+PFL_Dividend+Distribution+Policy_Version+No.+5.0.pdf/e1e4fa2a-b79f-599f-e02f-670aa0a803a4
3.	Breach of Integrity and Whistle Blower Vigil Mechanism Policy	https://poonawallafincorp.com/documents/20121/0/PFL-Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy-version-No-8.0.pdf/a1dd3647-1eb9-fb87-4d5d-9f564efcd4c9
4.	Code of Business Ethics	https://poonawallafincorp.com/documents/20121/0/17.+PFL_Code+of+Business+Ethics+Version+No.+6.0+4.pdf/d586355e-6ecb-1eb6-fc01-9fbb9cf316c2
5.	Policy for Prevention of Sexual Harassment	https://poonawallafincorp.com/documents/20121/0/POSH-Policy.pdf/0aec60de-7381-d8eb-be20-c5544cb2d1c6
6.	Corporate Social Responsibility Policy	https://poonawallafincorp.com/documents/20121/0/PFL_CSR+Policy_Version+No.+6.0.pdf/26949d61-3047-4792-4600-33e5a62ec4ac
7.	Policy on Fit and Proper Criteria for Directors	The Policy shall be applicable to all the directors of the Company. The Policy provides general guidance to the Directors perform the activities regulated under the applicable law efficiently, honestly, fairly and act in the best interests of the Company.
8.	Remuneration Policy	https://poonawallafincorp.com/documents/20121/0/PFL-Remuneration-Policy-Version-No-8.0.pdf/0b67101a-0143-22da-31ae-597eb8e47056
9.	Policy on Related Party Transaction	https://poonawallafincorp.com/documents/20121/0/Policy+on+Related+Party+Transaction.pdf/dcabc2aa-14da-673a-b8af-bcb22ccfdc97
10.	Policy for Appointment of Statutory Auditors	https://poonawallafincorp.com/documents/20121/0/PFL-Policy-on-appointment-of-Statutory-Auditors-Version-No-2.0.pdf/068395f0-ce3b-98f5-e0dd-34fe931a8f48
11.	Environmental and Social Governance Policy & Governance framework.	This policy outlines the Company's commitment to good corporate governance, fair treatment of stakeholders, and responsibility towards the environment. Through this policy, PFL commits to embed ESG with its vision, mission, and values to foster a positive impact in society.
12.	Integrated Risk Management Policy	The policy includes a Risk Governance Structure for PFL, which will enable it to assess, manage and mitigate risks arising out of its business. It is the umbrella policy which governs the various sub-components of the Risk Governance Framework.
13.	Credit Risk Management Policy	This policy is framed to address various aspects of Credit Risk and its Management.
14.	Operational Risk and Resilience Policy	This policy is established for identification, assessment, measurement, monitoring and control/mitigation of Operational Risk at an ongoing basis.
15.	Grievance Redressal Policy	https://poonawallafincorp.com/documents/d/poonawalla-fincorp/grievance-redressal-policy
16.	Cyber Security Policy	This policy institutes the Cyber Security Framework based on industry best practices and regulatory guidelines and to identify, protect, detect, respond to, recover from, test, learn and be aware of Cybersecurity incidents.
17.	Policy on Process for Disposal of E-Waste Items	This Policy is established to ensure a systematic and planned disposal of assets which are identified as e-waste.
18.	Equal Opportunity Policy	This Policy is framed to assure that there shall be no discrimination or harassment against any employee or applicant on the grounds of race, color, religion, sex, age, marital status, disability, national origin, political opinion, sexual orientation, or any other factor made unlawful by applicable laws and regulations.
19.	Business Continuity Management Policy	This Policy is established to ensure emergency response, resumption, recovery and restoration of Company's processes and business activities during a disaster.
20.	Corporate Governance Policy	https://poonawallafincorp.com/documents/20121/0/PFL_Corporate+Governance+Policy_Version_6.0_Website+Version.pdf/281c23fb-9f26-e3c9-747a-7e34ce9b94e7
21.	Code of Fair Disclosure	https://poonawallafincorp.com/documents/20121/0/Code+of+Fair+Disclosure+%281%29.pdf/4daf4093-aaf9-6e2a-6557-7c22cc318f76



Sr. No.	Name of the Policy	Description of/Link to the Policy
22.	Code of Conduct to Regulate, Monitor and Report and Trading by Designated Persons	This Code is framed for Prevention of Insider Trading by the Designated Persons and their immediate relatives, in relation to the securities of the Company and to regulate, monitor and report trading by the Designated Persons and their immediate relatives of the Company in the securities of the Company.
23.	Code for Independent Directors	https://poonawallafincorp.com/documents/20121/0/1.+PFL_Code+for+Independent+Directors_Version+No.7.pdf/9aaa3324-4d72-5f31-456e-64c145404156
24.	Investors Grievance Policy	https://poonawallafincorp.com/documents/20121/0/PFL-SRC-Investor-Grievance-Version-No-6.0.pdf/880a6067-ed92-cb50-6c39-1bd645aa3617
25.	Supplier Code of Conduct	This Code is framed to ensure that the Company conducts its business in an ethical, sustainable, and responsible manner. The policy outlines the expectations from suppliers to align with the Company's core values, uphold high standards of integrity, and support responsible business practices.
26.	Compensation Policy	This Policy is framed to ensure fair, consistent, and equitable compensation practices aligned with the Company's core values and strategic business objectives. It aims to promote effective governance of compensation while ensuring alignment with prudent risk-taking practices and adherence to applicable regulatory requirements. The policy reflects the company's philosophy of maintaining a balanced approach between competitive market compensation and fairness to all stakeholders, taking into account associated risks and long-term returns.
27.	Learning and Development Policy	This Policy is framed to promote a culture of continuous learning at PFL, recognizing its importance for individual growth, organizational success, and long-term sustainability. The policy aims to empower employees to enhance their skills, build competencies, and adapt to evolving business needs, while fostering an environment of curiosity, innovation, and excellence across the organization.
28.	Talent Acquisition Policy	This Policy is framed to guide the Company in attracting a diverse pool of skilled and adaptable professionals in the right roles at the right time and at an optimal cost. The policy ensures alignment of hiring practices with the organization's strategic objectives, ethical standards, and commitment to innovation and customer-centricity, thereby strengthening the company's talent base and long-term growth.
29.	Health and Safety Policy	This Policy is framed to safeguard the wellbeing of all individuals at PFL by ensuring a safe, secure, and supportive work environment. It reflects the organization's commitment to responsible business practices and continuous improvement in health, safety, and sustainability standards.
30.	Human Rights Policy	This Policy is framed to reinforce Company's commitment to fostering a respectful, inclusive, and cohesive work environment while upholding and protecting human rights across all business operations. The policy supports the organization's focus on employee engagement, leadership development, talent growth, and succession planning, enabling a strong and connected workplace culture.
31.	Diversity and Inclusion Policy	This Policy is framed to promote a workplace culture that values diversity, equity, and inclusion. It aims to create an environment where diverse talent is attracted, retained, and fully engaged, fostering innovation, creativity, and organizational success. The policy recognizes and celebrates individual differences, experiences, and capabilities as a key strength of the organization and an integral part of its culture and brand.
32.	ICAAP Policy	This ICAAP Policy covers regulatory standards, ICAAP procedures, roles and responsibilities of various functionaries related to the development and implementation of the ICAAP as well as the components of ICAAP document.
33.	Asset Liability Management Policy	The purpose of this policy is to establish the overarching guidelines for the Company's Asset Liability Management ('ALM') framework, which is aligned to RBI Master Directions.
34.	Compliance Policy	This Compliance Policy aims at managing compliance risk and overseeing its implementation besides ensuring that compliance issues are resolved effectively and expeditiously.
35.	Anti Money Laundering Policy and KYC Norms	This policy aims to undertake practices, services, technologies; and adopt a risk-based approach to manage and mitigate the risks through appropriate enhanced due diligence measures and transaction monitoring, etc.
36.	Outsourcing Policy	The Policy incorporates the criteria for selection of Service Providers, materiality of services Outsourced, delegation of authority depending on risks and materiality and systems to monitor and review the operations of the activities Outsourced.
37.	Privacy Policy	https://poonawallafincorp.com/privacy-policy

Sr. No.	Name of the Policy	Description of/Link to the Policy
38.	Code of Conduct for Direct Selling Agents (DSAs) / Direct Marketing Agents (DMAs)/ Debt Recovery Agents (DRAs)	This policy is framed to establish guidelines and standards of conduct for Direct Selling Agents (DSAs), Direct Marketing Agents (DMAs), and Debt Recovery Agents (DRAs) engaged by the organization. It aims to ensure that all such agents operate with integrity, transparency, and professionalism while interacting with customers.
39.	Information Security Policy	This policy is framed to safeguard the organization's information assets by ensuring confidentiality, integrity and availability of data. The Information Security Policy establishes guidelines for the secure handling, storage, transmission and disposal of information across all systems and processes.
40.	Information Technology Management Policy	This policy is framed to provide a structured framework for the effective management and governance of the organization's information technology resources. The Information Technology Management Policy outlines guidelines for the planning, implementation, maintenance and monitoring of IT systems and infrastructure.
41.	Employee Education Policy	This policy is framed to promote continuous learning and skill development of employees in alignment with the organization's goals and regulatory requirements.
42.	Interest and Penal Charge Policy	This policy is framed to provide clear guidelines on the application of interest rates and levy of penal charges on loans and other credit facilities offered by the organization. The Interest and Penal Charge Policy ensures transparency, fairness and consistency in charging interest, fees and penalties to customers.
43.	Rewards and Recognition Policy:	This policy aims at establishing a structured and fair framework for recognizing and rewarding employees for their contributions, performance, and commitment to organizational goals. It seeks to foster a culture of appreciation, motivation, and engagement by acknowledging both individual and team achievements in a timely and meaningful manner.
44.	Policy for filing of Claim w.r.t Unclaimed Amounts of Convertible Debentures ("NCDs")	https://poonawallafincorp.com/documents/20121/0/PFL-Policy-NCD-Claims-2.pdf/c9249d5f-f1f8-3601-d6e0-14b6f92032a8
45.	Fraud Risk Management Policy	This policy aims at establishing a comprehensive framework for the prevention, detection, investigation, and reporting of fraud within the organization. It seeks to promote a culture of integrity, transparency, and accountability by clearly defining the roles and responsibilities of employees, management, and stakeholders in mitigating fraud risks. The policy is designed to safeguard the organization's assets, reputation, and financial resources by implementing robust internal controls and risk assessment mechanisms.
46.	Leave Policy	This policy aims at establishing clear guidelines and procedures governing employee leave entitlements, ensuring consistency, fairness, and transparency across the organization. It seeks to support employees in maintaining a healthy work-life balance while ensuring that business operations continue effectively without disruption.

GLOSSARY

Term	Description
ACH	Automated Clearing House
ACT	Companies Act, 2013
ABF	Asset Backed Finance
ADR	American Depositary Receipt
AFC	Asset Finance Company
AGM	Annual General Meeting
AI	Artificial Intelligence
ALCO	Asset Liability Management Committee
ALM	Asset Liability Manangement
AML	Anti Money Laundering
API	Application Programming Interface
ASSOCHAM	Associated Chambers of Commerce & Industry of India
ATRs	Action Taken Reports
AUM	Asset Under Management
BCMS	Business Continuity Management System
BFSI	Banking Financial Services and Insurance
BIS	Bureau of Indian Standards
BL	Business Loan
BMI	Body Mass Index
Bps	Basis Point
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange
CA	Chartered Accountant
CAC	Customer Acquisition Cost
CAFRAL	Centre for Advanced Financial Research and Learning
CAGR	Compound annual growth rate
CAR	Capital Adequacy Ratio
CARO	Companies (Auditor's Report)Order
CBO	Chief Business Officer
CC	Cash Credit
CCA	Central Core Application
CD	Continuous Deployment
CDCP	Career Development & Planning
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGTMSE	Credit guarantee fund trust for micro and small enterprise
CI	Continuous Integration
CIA	Chief Internal Auditor
CIC	Core investment Company
CII	Confederation of Indian Industry

Term	Description
CIN	Corporate Identity Number
CISO	Chief Information Security Officer
CML	Client Master List
CODM	Chief operating decision maker
CP	Commercial Paper
CPI	Consumer Price Index
CRAR	Capital Risk Adequacy Ratio
CRM	Customer Relationship Management
CRO	Chief Risk Officer
CS	Company Secretary
CSR	Corporate Social Responsibility
CV	Commercial Vehicle
D&O policy	Directors and Officers liability insurance
DC	Designated Consumers
DIN	Directors Identification Number
Disb.	Disbursement
DIY	Do it Yourself
DMA	Direct Marketing Agent
DP	Depository Participant
DPD	Days past due
DQI	Data Quality Index
DRA	Debt Recovery Agent
DSA	Direct selling Agent
EAD	Exposure at default
ECB	External Commercial Borrowings
ECL	Expected Credit Loss
ECLGS	Emergency Credit Line Guarantee Scheme
EIA	Environmental Impact Assessment
EIR	Effective Interest Rate
EIS	Excess Interest Spread
EMDE	Emerging Market and Developing Economy
EMI	Equated Monthly Installment
EOGM	Extra Ordinary General Meetings
EPR	Extended Producer Responsibility
EPS	Earning per share
ERM	Emergency Response Team
ERT	Emergency Response Time
ESG	Environment, Social and Governance
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
EWS	Early Warning System
FAQ	Frequently Asked Questions
FDI	Foreign Direct Investment
FI	Financial Institution

Term	Description
FICCI	The Federation of Indian Chambers of Commerce and Industry
FIDC	Finance Industry Development Council
FOS	Feet-on-street
FRMU	Fraud Risk Management Unit
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FY	Financial Year
GBL	Group Borrower Limit
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GHFL	Grihum Housing Finance Limited
GHG	Green House Gases
GST	Goods and Services Tax
HAP	Hazardous air pollutants
HFC	Hydrofluorocarbons
HFCs	Housing Finance Companies
HQLA	High quality liquid assets
HR	Human Resources
IaaS	Infrastructure-as-a-Service
IALM	Indian Assured Lives Mortality Table
IC	Internal Committee
ICAAP	Internal Capital Adequacy Assessment Process
ICAI	Institute of Chartered Accountants of India
ICL	Inter-Corporate Loan
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFC	Internal Finance Control
IIT	Indian Institute of Technology
IMF	International Monetary Fund
Ind-AS	Indian Accounting Standards
INFOSEC	Information Security
INR	Indian Rupee
IRACP	Income Recognition, Asset Classification and Provisioning pertaining to Advances
IRM	Integrated Risk Management
IS	Information System
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IST	Indian Standard Time
IT	Information Technology
ITGRCA	Information Technology Governance, Risk, Controls and Assurance Practices

Term	Description
ITSC	IT Strategy Committee
IVR	Interactive Voice Response
JASPL	Jaguar Advisory Services Private Limited
JD	Job Description
KMP	Key Managerial Personnel
KRI	Key Risk Indicators
KYC	Know your customer
LAN	Loan Account Number
LAP	Loan against Property
LC	Large Corporates
LCA	Life Cycle Perspective / Assessments
LCR	Liquidity coverage ratio
LED	Light-emitting diode
LGD	Loss given default
Listing Centre	BSE Listing Centre
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
LLP	Limited Liability Partnership
LTIFR	Lost Time Injury Frequency Rate
LTP	Loan to Professionals
Magma HDI / MHDl	Magma HDI General Insurance Company Limited
MarTech	Marketing Technology
MBS	Mortgage Backed Securities
MCA	Minsitry of Corporate Affairs
MCLR	Marginal Cost of Funds based Lending Rate
MD	Managing Director
ME	Macroeconomic
MIS	Management Information System
ML	Machine Learning
MoB	Month on book
MPC	Monetary Policy Committee
MRR	Minimum retention requirement
MSME	Micro, Small and Medium Enterprises
MSMED	Micro, Small and Medium Enterprises Development Act, 2006
NACH	National Automated Clearing House
NBFC	Non-Banking Financial Company
NBFC-M	NBFC-Middle Layer
NBFC-ML	NBFC-Middle Layer
NBFC-ND-SI-ICC	Systemically Important Non-Deposit Taking NBFC-Investment and Credit Company
NBFC-U	NBFC-Upper Layer
NCD	Non-Convertible Debentures
NCGTC	National Credit Guarantee Trustee Company Ltd

Term	Description
NEAPS	NSE Electronic Application Processing System
NEFT	National Electronic Funds Transfer
NGRBC	National Guidelines on Responsible Business Conduct
NI	Net Income
NII	Net Interest Income
NIM	Net Interest Margin
NNPA	Net Non-performing Assets
NOC/NDC	No-Object Certificate/No-Due Certificate
NPA	Non-performing Asset
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NSDL	National Securities Depository Limited
OAVM	Other Audio Visual Means
OCI	Other comprehensive income
ODR	Online Dispute Resolution
Opex	Operating Expenses
OR	Operational Risk
ORMC	Operational Risk Management Committee
PA	Public Announcement
PaaS	Platform-as-a-Service
PAN	Permanent Account Number
PAT	Profit After Tax
PCR	Provisioning Coverage Ratio
PD	Probability of default
PFC	perfluorinated compound
PFL	Poonawalla Fincorp Limited
PFL EWT	PFL Employee welfare trust
PIN	Personal Identification Number
PL	Personal Loan
PL Prime	Personal Loan Prime
PLI	Production Linked Incentive
PM	Particulate matter
POC	Pre-owned Car
POP	Persistent organic pollutants
POSH	Prevention of Sexual Harassment
PPE	Property, plant and equipment
PPOP	Pre-Provision Operating Profit
PPP	Purchasing Power Parity
PR	Public Relations
PTC	Pass through certificates
PUC	Projected unit credit
PV	Passenger Vehicle
QoQ	Quarter-on-Quarter

Term	Description
QR code	Quick Response Code
R&R	Rehabilitation and Resettlement
RAS	Risk Appetite Statements
RBI	Reserve Bank of India
RC	Review Committee
RCA	Root Cause Analysis
RCSA	Risk and Control Self-Assessment
RCU	Risk Containment Unit
RMC	Risk Management Committee
RO	Regional Office
RoA	Return on Assets
ROA	Return on average assets
RoC	Registrar of Companies, Maharashtra
ROE	Return on average equity
RPA	Robotic Process Automation
RRB	Regional Rural Banks
RSHPL	Rising sun holdings private limited
RSO	Restricted stock options
RSOP	Restricted stock option plan
RTA	Registrar to an Issue and Share Transfer Agent
RTGS	Real-Time Gross Settlement
SaaS	Software-as-a-Service
SARFAESI	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SAs	Standards on Auditing
SBL	Single Borrower Limit
SCA/SA	Statutory Central Auditors / Statutory Auditors
SCB	Scheduled Commercial Bank
SCF	Supply Chain Finance
SCN	Show Cause Notice
SCORES	SEBI Complaints Redress System
SEBI	Securities Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SHG	Self-Help Group
SIAM	Society of Indian Automobile Manufacturers
SICR	Significant increase in credit risk
SIDBI	Small industries development bank of India
SMA	Special Mention Accounts
SME	Small and Medium Enterprise

Term	Description
SMP	Senior Management Personnel
SMS	Short Message Service
SOP	Standards Operating Procedures
SPE	Special Purpose Entity
SPV	Special Purpose Vehicle
SRC	Stakeholders Relationship Committee
SS	Secretarial Standards
SS-2	Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India
SSM	Senior Supervisory Manager
Stock Exchanges	BSE and NSE
STPL	Small Ticket Personal Loan

Term	Description
Sub-debt	Subordinated debt
TAT	Turnaround Time
TBD	To be decided
Tier I Capital	As defined under RBI regulations for NBFCs
Tier II Capital	As defined under RBI regulations for NBFCs
URL	Uniform Resource Locator
VC	Video Conferencing
VOC	Volatile organic compounds
WBCGST	West Bengal Central Goods and Service Tax
WCDL	Working capital demand loan
WDM	Wholesale Debt Market
XBRL	eXtensible Business Reporting Language
YoY	Year-On-Year



POONAWALLA FINCORP LIMITED

Registered Office: 201 and 202, 2nd Floor, AP81,
Koregaon Park Annex, Mundhwa, Pune - 411 036, Maharashtra.

Corporate Office: Unit No 2401, 24th Floor, Altimus,
Dr G.M. Bhosale Marg, Worli, Mumbai-400018 Maharashtra.

Phone: 020 6780 8090 CIN: L51504PN1978PLC209007

Website: www.poonawallafincorp.com Email: secretarial@poonawallafincorp.com

NOTICE OF ANNUAL GENERAL MEETING

Remote e-VOTING STARTS ON	Remote e-VOTING ENDS ON
Monday, July 20, 2026 at 09:00 a.m. (IST)	Thursday, July 23, 2026 at 05:00 p.m. (IST)

Notice is hereby given that the **46th (Forty Sixth) Annual General Meeting ("AGM"/"Meeting")** of the Members of Poonawalla Fincorp Limited (hereinafter referred to as the **"Company"**) will be held on Friday, July 24, 2026 at 03:00 p.m. Indian Standard Time (**"IST"**) through Video Conferencing (**"VC"**) / Other Audio - Visual Means (**"OAVM"**) to transact the following businesses:

ORDINARY BUSINESS(ES):

- 1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2026 together with the Reports of the Board of Directors and Auditors thereon:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon, be and are hereby received, considered and adopted."

- 2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 together with the Report of Auditors thereon:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 and the Report of the Auditors thereon, be and are hereby received, considered and adopted."

- 3. To re-appoint Mr. Adar Cyrus Poonawalla (DIN: 00044815), who retires by rotation and, being eligible, has offered himself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 152 (6) of the Companies Act, 2013, other applicable provisions of law and regulations, including any amendments, modifications, variations or re-enactments to any of the aforesaid from time to time and as any of the aforesaid may be amended, modified, varied or re-enacted from time to time, Mr. Adar Cyrus Poonawalla (DIN: 00044815), Director, who retires by rotation at this Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

- 4. To appoint B. K. Khare & Co., Chartered Accountants, (Firm Registration Number: 105102W) as a Joint Statutory Auditor of the Company and to fix their Remuneration:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**), read with the Companies (Audit

and Auditors) Rules, 2014, and any other applicable rules made thereunder, Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), issued by the RBI, dated April 27, 2021 (**"RBI Guidelines"**) read with the policy for appointment of Statutory Auditors, applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions of law and regulations, including any amendments, modifications, variations or re-enactments to any of the aforesaid from time to time and as any of the aforesaid may be amended, modified, varied or re-enacted from time to time, the relevant provisions of the Memorandum of Association and Articles of Association, pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for the appointment of B. K. Khare & Co. Chartered Accountants, (Firm Registration Number: 105102W) who being eligible for appointment as Statutory Auditors in terms of Section 141 of the Act and applicable rules and the said RBI Guidelines as the Joint Statutory Auditor of the Company, and to hold office for a period of 3 (Three) financial years from the conclusion of 46th (Forty Sixth) AGM till the conclusion of

Registered Office:

201 and 202, 2nd Floor, AP81,
Koregaon Park Annex,
Mundhwa, Pune – 411 036
Maharashtra
Place : Mumbai
Date: May 05, 2026

the 49th (Forty Ninth) AGM of the Company to conduct audit of accounts of the Company, at such remuneration mentioned in the explanatory statement annexed herewith.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company (hereinafter referred to as **"Board"**, which term shall be deemed to include any Committee constituted or any person(s) authorized by the Board in this regard) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the aforesaid resolution including but not limited to determination of roles and responsibilities/ scope of work of the Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work, etc. without being required to seek any further consent or approval of the Members of the Company."

**By order of the Board of Directors
For Poonawalla Fincorp Limited**

**Sd/-
Shabnum Zaman
Company Secretary
ACS No.: 13918**

NOTES FOR MEMBERS' ATTENTION:**Virtual Meeting:**

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular No. 03/2025 dated September 22, 2025 in continuation to the circulars issued earlier in this regard ("MCA Circulars") allowed, *inter-alia*, conduct of AGM through "VC"/"OAVM" facility till further orders and relevant circulars issued by the Securities and Exchange Board of India ("SEBI") in this regard has provided certain relaxations from compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In compliance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act") and the SEBI Listing Regulations, Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India ("SS-2") and any other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the 46th (Forty Sixth) AGM of the Company is being conducted through VC/OAVM facility.
2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended ("Management Rules"), SS-2 and Regulation 44 of SEBI Listing Regulations read with MCA Circulars, as amended, the Company through National Securities Depository Limited ("NSDL") will be providing facilities in respect of:
 - (a) voting through remote e-voting;
 - (b) participation in the AGM through VC/OAVM facility;
 - (c) e-voting during the AGM.

The procedure for participating in the meeting through VC/OAVM is explained at Note No. 22 under the heading Procedure to join the AGM on NSDL e-voting system.
3. The deemed venue for the 46th (Forty Sixth) AGM shall be the registered office of the Company situated at 201 and 202, 2nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune - 411 036, Maharashtra, India.
4. In terms of the MCA Circulars, the requirement of physical attendance of Members has been dispensed with and, therefore, there is no requirement of appointment of proxies.

Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 46th (Forty Sixth) AGM. Hence, the proxy form and attendance slip including route map are not annexed to this Notice.

5. In pursuance of Section 112 and Section 113 of the Act, Government, institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc. may appoint a representative for the purpose of voting through remote e-voting by Board resolution/ power of attorney/ authority letter, etc., for participation in the 46th (Forty Sixth) AGM through VC/ OAVM facility and e-voting during the 46th (Forty Sixth) AGM. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to girishbhatia1956@gmail.com with a copy marked to evoting@nsdl.com.
6. Attendance of the Members participating in the 46th (Forty Sixth) AGM through VC/ OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum requirement under Section 103 of the Act.
7. The Members can join the AGM in the VC/OAVM mode 30 (Thirty) minutes before and after the scheduled time of the commencement of the Meeting, by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 Members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Statutory Auditors and Secretarial Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.
8. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the register of Members of the Company will be entitled to vote.
9. In compliance with the aforesaid MCA Circulars and pursuant to Sections 101 and 136 of the Act read with the relevant rules made thereunder and Regulation 36 of the SEBI Listing Regulations, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic

mode to those Members whose email addresses are registered with the depository participants/ Registrar to an Issue and Share Transfer Agent ("RTA").

For those shareholders whose email ids are not registered, web-link of the documents is being sent via registered post. The documents are also available on the website of the Company at www.poonawallafincorp.com

10. Members may note that the AGM Notice and the Annual Report 2025-26 will also be available on the Company's website www.poonawallafincorp.com at weblink i.e. <https://www.poonawallafincorp.com/investor-financials.php> and websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL i.e. agency for providing remote e-voting facility i.e. www.evoting.nsdl.com.
11. Physical copy of the Annual Report 2025-26 (including the Notice of the 46th AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Annual Report for the FY 2025-26, may write to the Company at secretarial@poonawallafincorp.com requesting for the same by providing their DP ID and Client ID/folio number details.
12. Those Members who are holding shares in physical form and have not updated their e-mail ids with the Company, are requested to update the same by submitting a duly filled and signed form ISR-1 along with self-attested copy of the PAN Card, and self-attested copy of any document (e.g. Driving License, Voter Identity Card, Passport) in support of the address of the Member, to the RTA at investor.helpdesk@in.mpms.mufg.com
13. Members holding shares in dematerialized (demat) mode are requested to register/update their e-mail ids with their relevant Depository Participants.

Procedure for remote e-voting and e-voting during the AGM :

14. Pursuant to the provisions of Section 108 of the Act read with Rules and Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-voting facility provided by listed entities and the MCA Circulars, the Company is providing facility of

remote e-voting to its Members in respect of the business to be transacted at the AGM.

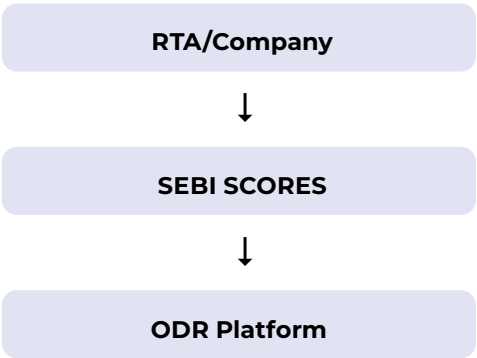
15. The remote e-voting period begins on **Monday, July 20, 2026 at 09:00 A.M. (IST) and ends Thursday, July 23, 2026 at 05:00 P.M. (IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the register of Members/beneficial owners maintained by the depositories, as on the cut-off date i.e., **Friday July 17, 2026** may cast their vote electronically.
16. The voting right of the Member shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the cut-off date, **Friday, July 17, 2026**. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
17. The facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>.
18. The Board of Directors has appointed Mr. Girish Bhatia, Practicing Company Secretary (FCS: 3295/ CP No. 13792), as the scrutinizer ("**Scrutinizer**") the process of remote e-voting and e-voting during the Meeting in a fair and transparent manner. The Scrutinizer, shall post conclusion of the meeting, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting system and shall make a consolidated Scrutinizer's report and submit report to the Company Secretary, within 2 (Two) working days from the conclusion of the meeting, who shall countersign the same.
19. The results of remote e-voting and voting at the Meeting shall be declared by the Chairman or by any other Director or Company Secretary duly authorized in this regard. The results declared along with the report of the Scrutinizer shall be placed on the Company's website www.poonawallafincorp.com and also be displayed on the Notice Board of the

Company at its registered office and on the website of NSDL <https://www.evoting.nsdl.com> immediately after the results are declared and simultaneously communicated to the Stock Exchanges in compliance with Regulation 44(3) of the SEBI Listing Regulations. The resolutions shall be deemed to be passed on the date of the Meeting, i.e., **Friday, July 24, 2026** subject to receipt of the requisite number of votes in favour of the resolutions.

20. Dispute Resolution:

SEBI has established a common Online Dispute Resolution Portal (“**ODR Portal**”) available at <https://smartodr.in/login> to raise disputes arising in the Indian Securities Market. Post exhausting the option to resolve their grievances with the RTA/Company directly and through SCORES platform, the investors can initiate dispute resolution through the ODR Portal. Link to access ODR portal is available on Company’s website <https://poonawallafincorp.com/investor-info> [SEBI Master Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023]

Flow of Investor Dispute Resolution Framework:



21. Important notice for investors holding non-convertible securities of the Company:

SEBI has released a procedural framework for dealing with unclaimed interest, dividend and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The Company has formulated a framework specifying the process to be followed by the investors for claiming their unclaimed amounts which is available on the website of the Company at <https://poonawallafincorp.com/documents/20121/0/PFL-Policy-NCD-Claims-2.pdf/c9249d5f-f1f8-3601-d6e0-14b6f92032a8>

22. NSDL e-voting Instructions:

How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

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

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL.	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual shareholders holding securities in demat mode with CDSL	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. - After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Type of shareholders	Login Method
Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. Upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on the company name or e-voting service provider i.e., NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note:Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911.

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.
How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services, after using your log-in credentials, click on e-voting and you can proceed to Step 2, i.e., Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 139961 then user ID is 139961001***

- Password details for shareholders other than Individual shareholders are given below:
 - If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- How to retrieve your ‘initial password’?
 - If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- Now, you will have to click on “Login” button.
- After you click on the “Login” button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to girishbhatia1956@gmail.com with a copy marked to evoting@nsdl.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call at 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, AVP- NSDL at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to evoting@nsdl.com
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to evoting@nsdl.com If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e., Login method for e-voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/ Members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

Procedure for e-voting during the AGM:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will attend the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting instructions pointer.

Procedure to join the AGM on NSDL e-voting system:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for **Access to NSDL e-voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops/Machine for better experience.
3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views/ ask questions as a speaker at the AGM may

pre-register themselves by sending a request from their registered email ID mentioning their names, DP ID and Client ID/folio number, PAN and mobile number to secretarial@poonawallafincorp.com between Wednesday, July 08, 2026 (09:00 a.m. IST) and Friday, July 17, 2026 (05:00 p.m. IST). Only those Members who have pre-registered themselves as speakers, will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers, depending on the availability of time for the AGM.

6. Members who need assistance before or during the AGM regarding the E-voting facility provided by NSDL, can contact to Ms. Pallavi Mhatre- Associate Vice President – NSDL or call at 022 - 4886 7000.

23. shareholder Awareness:

- a. Non-resident Indian shareholders are requested to inform about the following immediately to the RTA of the Company or the concerned Depository Participant, as the case may be:-
 - i. the change in the residential status upon return to India for permanent settlement; and
 - ii. the particulars of the NRE account with a Bank in India, if not furnished earlier.
- b. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical form can submit their PAN, KYC details and Nomination in the prescribed forms to the RTA.

In view of the above, we urge Members holding shares in physical form to submit the required forms along with the supporting documents at the earliest.
- c. The Company has entered into necessary arrangements with NSDL and Central Depository Services (India) Limited (“CDSL”) to enable the shareholders to dematerialize their shareholding in the Company for which they may contact the depository participant of either of the above depositories.

Members are requested to contact the RTA for reply to their queries/ redressal of complaints, if any by raising an email query at the following email id: investor.helpdesk@in.mpms.mufg.com or secretarial@poonawallafincorp.com

d. Dematerialization of shares:

In terms of the revised provisions of the SEBI Listing Regulations, effective January 22, 2026 and in accordance with SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/1/4298/2026 dated February 06, 2026, the listed companies shall issue securities in dematerialized form only while processing the various service requests received from the shareholders.

The securities holder/claimant shall submit duly filled up Form ISR-4 along with the documents/details specified therein. The investors shall have a demat account before submitting the service request. Latest Client Master List (“CML”) of the demat account, not older than two months and duly attested by the depository participant (“**Depository Participant**” or “**DP**”) and duly filled in demat conversion request form shall be submitted by the investor along with the service request to the RTA.

The shareholders may approach the nearest Depository Participant or browse through the website of National Securities Depository Limited (www.nsdl.com) and Central Depository Services Limited (www.cdslindia.com) for further clarification in this regard. shareholders are requested to contact the MUFG Intime India Pvt Ltd for any queries in regard to the aforesaid or contact at the registered office of the Company.

Process for dematerization of shares is available at the website of the Company at weblink i.e. <https://poonawallafincorp.com/investor-info>

- e.** Members holding shares in dematerialized form are requested to update with their respective Depository Participants, their bank account details (account number, 9 digit MICR and 11 digit IFSC), E-mail address and mobile number. Members holding shares in physical form may communicate details to the RTA before the record date, by

quoting the folio no. and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self attested scanned copy of the PAN card.

- f.** Members are requested to contact the RTA for reply to their queries/ redressal of complaints, if any by raising an email query at the following link: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html. or secretarial@poonawallafincorp.com

g. Payments only in electronic mode

In terms of SEBI Listing Regulations, all listed companies are mandatorily required to make all payments including dividends, interests, redemption or repayment amounts, by using any RBI approved electronic mode of payment viz., National Automated Clearing House (NACH), Direct Credit, Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT), etc. shareholders are requested to update your bank account details, to ensure direct credit of said amounts.

h. Simplified Norms for processing Investor Service Request:

Mandatory update of PAN, KYC and Nomination details and linking of PAN and Aadhaar by holders of physical shares:

As per mandate from SEBI vide its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/1/4298/2026 dated February 06, 2026, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, contact details (postal address with PIN and mobile number), bank account details and specimen signature for their corresponding folio numbers.

The security holder(s) whose folio(s) do not have PAN, contact details, bank account details and specimen signature updated, shall be eligible:

- (a) to lodge grievance or avail any service request from the RTA only after furnishing PAN and KYC details.
- (b) for any payment including dividend, interest or redemption payment in respect of such folios, only through electronic mode with effect from April 01, 2024.

shareholder are requested to send an email request along with duly signed Form ISR-1 and other relevant forms to our RTA, MUFG Intime India Pvt Ltd at the e-mail ID: Investor.helpdesk@in.mpms.mufg.com.

The forms for updation of PAN, KYC, bank details and Nomination viz., forms ISR-1, ISR-2, ISR-3, SH-13 and the aforesaid SEBI circular are available on our website at <https://poonawallafincorp.com/investor-info>

Members are requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI Circulars along with the supporting documents, wherever required, to our RTA, MUFG Intime India Pvt Ltd for immediate action.

A copy of such forms can be downloaded from the website of the Company at www.poonawallafincorp.com or from the website of our RTA at www.in.mpms.mufg.com → Resources→ Downloads→ KYC →Formats for KYC

Applicability of Special Window:

Execution Date of Transfer Deed	Lodged for transfer before April 01, 2019?	Original Security Certificate Available?	Eligible to lodge in the current window?
Before April 01, 2019	No (it is fresh lodgement)	Yes	✓
Before April 01, 2019	Yes (it was rejected/ returned earlier)	Yes	✓
Before April 01, 2019	Yes	No	X
Before April 01, 2019	No	No	X

shareholders are encouraged to take advantage of this opportunity by furnishing the necessary documents to the Registrar to an Issue and Share Transfer Agent at Investor.helpdesk@in.mpms.mufg.com.

j. Suspense Escrow Demat Account:

Pursuant to SEBI Circular dated January 25, 2022, to enhance the shareholders experience in dealing with securities markets, the listed companies shall issue the securities in dematerized form only, while processing any investor service requests viz., issue of duplicate share certificates, endorsement, transmission, transposition.

After processing the investor service request(s), a Letter of Confirmation (LOC) would be issued to the shareholders in

i. Special Window for Re-lodgment of Transfer Requests of Physical Shares of Poonawalla Fincorp Limited.

Pursuant to SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated January 30, 2026, all shareholders are hereby informed that a “Special Window” is being opened to facilitate transfer and dematerialization of physical securities which were sold/purchased prior to April 01, 2019.

This special window shall be open for a period of one year from February 05, 2026 to February 04, 2027.

The special window shall also be available for such transfer requests which were submitted earlier and were rejected/ returned/not attended to due to deficiency in the documents/process/or otherwise. The securities so transferred shall be mandatorily credited to the transferee only in demat mode and shall be under lock-in for a period of one year from the date of registration of transfer. Such securities shall not be transferred/lien marked/pledged during the said lock-in period.

lieu of a physical securities certificate. LOC shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising the said securities/shares. In case the shareholders fail to submit the dematerization request within 120 days, the Company shall then credit those securities to the Suspense Escrow Demat Account held by the Company. The shareholders can reclaim these shares from the Company's Suspense Escrow Demat Account on submission of documentation prescribed by SEBI.

k. Simplification of Procedure for Issuance of Duplicate Share Certificates:

SEBI has simplified the process for issuing duplicate share certificates. The documentation requirements have been standardized as below:

Documentation Requirements for Issuance of Duplicate Shares Certificate

- Value upto ₹ 10,000 - Undertaking on plain paper (no notarization required)
- Value above ₹ 10,000 and upto ₹ 10 Lakh - Single Affidavit-cum- Indemnity Bond
- Value above ₹ 10 Lakh - Affidavit-cum- Indemnity Bond along with FIR/Police Complaint and Newspaper Advertisement

l. Various Investor initiatives by our RTA:

As part of their constant endeavour to enhance investor servicing, our RTA has implemented various investor initiatives, as under:

- Investor Service portal: SWAYAM is a secure, user friendly web-based application that empowers shareholders to effortlessly access various services.

This application can be accessed at <https://swayam.in.mpms.mufig.com/> <https://swayam.in.mpms.mufig.com/>.
- FAQs: The FAQ section on RTA's website has detailed answers to all probable investor queries. Please visit <https://web.in.mpms.mufig.com/faq.html>.
- Chatbot: 'iDIA' is a Chatbot developed by our RTA, that utilizes conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about queries. Talk to iDIA by logging in to <https://in.mpms.mufig.com/> <https://in.mpms.mufig.com/>.
- Standard Operating Procedure (SOP): Details of services provided to investors, their rights, timelines for various activities, Do's and Don'ts and grievance redressal mechanism can be accessed on <https://in.mpms.mufig.com/investorcharter.html>.
- Web-based Investor Query facility: To facilitate faster responses to shareholder

queries, shareholders are required to submit their queries or requests only electronically through their website at https://web.in.mpms.mufig.com/helpdesk/Service_Request.html.

Following is the step-by-step procedure to be followed by shareholders to raise query/ service request through website of RTA:

- Click on the following weblink: https://web.in.mpms.mufig.com/helpdesk/Service_Request.html
- Enter email address and answer a math question, based on which OTP will be received for entering the same;
- Select name of the Company from drop down, fill in DP ID Client ID/Folio No., mobile no., and request type; and
- Input the query details and submit. Provision has been made for attaching 5 separate files of 1 MB each.

Once a service request is submitted, an auto acknowledgement is sent providing the URN (Unique Reference No.) assigned. The acknowledgement also has a URL through which the person can view the status of his service request. The said email is sent from noreply@in.mpms.mufig.com.

- Members are requested to fill in and send the feedback form available on the website of the Company at www.poonawallafincorp.com send feedback form through email at secretarial@poonawallafincorp.com or registered office of the Company at 201 and 202, 2nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune – 411 036.
- The Board has adopted Investor Grievance Policy, which outlines the grievance redressal framework of the Company and the same is available on the website of the Company at <https://poonawallafincorp.com/documents/20121/0/PFL-SRC-Investor-Grievance-Version-No-6.0.pdf/880a6067-ed92-cb50-6c39-1bd645aa3617>
- The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, July 18, 2026 to Friday, July 24, 2026 (both days inclusive) for the purpose of AGM.

24. shareholders unpaid/unclaimed dividend/ shares related matters:

- In terms of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (**"IEPF Rules"**), as amended from time to time, dividends which remain unpaid/unclaimed over a period of 7 (Seven) years will have to be transferred by the Company to Investor Education and Protection Fund authority (**"IEPF Authority"**) of the Central Government.
- The details of the dates on which dividend should be transferred to the aforesaid Authority is given below:

Financial Year	Date of Declaration	Due for transfer
2018-19	August 01, 2019	September 06, 2026
2019-20	The Company did not declare any dividend for Financial Year 2019-20.	
2020-21	The Company did not declare any dividend for Financial Year 2020-21.	
2021-22	July 29, 2022	September 03, 2029
2022-23	July 25, 2023	August 30, 2030
2023-24 (Interim Dividend)	January 18, 2024	February 23, 2031
2024-25	The Company did not declare any dividend for Financial Year 2024-25.	

The Company has uploaded the information in respect of the unpaid / unclaimed dividend amounts lying with the Company, as on the date of the last meeting held on July 29, 2025 on the IEPF website www.iepf.gov.in and under "Investors Section" on the website of the Company viz., www.poonawallafincorp.com.

- Accordingly, all unpaid / unclaimed amounts in respect of dividends paid by the Company for the year ended March 31, 2019 must be transferred to the IEPF Authority. shareholders are requested to encash the dividend before the due date of transfer i.e. September 06, 2026.
- The Members of the Company can encash the unpaid dividend for the year ended March 31, 2019 or any subsequent year, before transfer to the IEPF Authority by writing a request to the Company Secretary, Poonawalla Fincorp Limited, "201 and 202, 2nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune – 411036, Maharashtra or at secretarial@poonawallafincorp.com. No claim will be entertained thereafter by the Company.
- The Members are being informed that the Company has transferred an amount of ₹ 309,720/- to IEPF being the unclaimed dividend for FY 2017-18. The Company has also transferred 20,622 equity shares to the IEPF Authority in accordance with the applicable provisions.
- Once the unpaid/ unclaimed dividend or the shares are transferred to IEPF Authority, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed Form IEPF-5 online and sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents to the registered office of the Company for verification of the claim addressing to Ms. Shabnum Zaman, Company Secretary and Nodal Officer and Ms. Swapnal Patane, Deputy Nodal Officer of the Company.
- The IEPF Rules and the application form (Form IEPF – 5), as prescribed by the MCA for claiming back of the shares/ dividend, are available on the website of the Company www.poonawallafincorp.com at its weblink

i.e. <https://www.poonawallafincorp.com/investor-info> as well as website of IEPF at www.iepf.gov.in.

j. Call center of IEPF Authority:

The IEPF Authority call center now be contacted at dedicated toll-free number 14453, which operates Monday to Friday from 9:30 a.m. to 5:30 p.m. The official toll-free helpline number for the Investor Education and Protection Fund Authority (IEPFA) in India is 14453. This service features a multi-language Interactive Voice Response System (IVRS) to assist claimants, check claim statuses, and resolve queries.

k. Saksham Niveshak Campaign – shareholders outreach:

During the year, the IEPF Authority launched the 100-day nationwide investor awareness campaign “Saksham Niveshak” to encourage shareholders to update KYC details and claim unpaid dividends and shares before their transfer to IEPF. In support of this initiative, the Company undertook various investor outreach measures through its website, stock exchange intimations, social media platforms.

25. Procedure for Inspection of Documents and Handling of Members’ Queries

- a. Members seeking to inspect such documents can send an email to the Company mentioning their name, Folio No./

DP ID and Client ID and the documents that they seek to inspect, with a self-attested copy of their PAN card to secretarial@poonawallafincorp.com

- b. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before Friday, July 17, 2026, through email at secretarial@poonawallafincorp.com with their name, folio No./DP ID and Client ID. The same will be replied by the Company suitably.

The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Act, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act read with rules issued thereunder; and a certificate from the Secretarial Auditors of the Company certifying that the Employees’ Stock Option Schemes of the Company have been implemented in accordance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be electronically available for inspection by the Members during the Meeting. Furthermore, all documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Friday, July 24, 2026, and shall be available for inspection upon login at NSDL e-voting system at www.evoting.nsdl.com.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

As an additional information, the Explanatory Statement contains material facts pertaining to ordinary business mentioned in Item No. 3 to 4 of the said Notice.

ITEM NO. 3:

Information as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard-2 (“SS-2”) on General Meetings for re-appointment of the Director is given hereunder:

Name of Director	Mr. Adar Cyrus Poonawalla
DIN	00044815
Designation/Category of Directorship	Chairman and Non-Executive Director
Date of Birth (Age)	January 14, 1981 (45 years)
Date of first appointment on the Board	June 01, 2021
Qualification	Bachelor’s degree in business studies from University of Westminster, London, United Kingdom.
Expertise in specific functional area	Mr. Adar Cyrus Poonawalla is the Chairman and a Non-Executive and Non-Independent Director of the Company. He has been associated with Serum Institute of India Private Limited since 2005, where he currently holds the position of Chief Executive Officer and Executive Director. He is also the founder of the Viloo Poonawalla Charitable Foundation, which primarily focuses on education, health care, water, environment sanitation and green spaces. In 2018, he was accorded the Corporate Social Responsibility award by CNBC Asia.
Terms and conditions of appointment/re-appointment	Mr. Adar Cyrus Poonawalla retires by rotation at the ensuing AGM and being eligible, seeks re-appointment in terms of Section 152(6) of the Companies Act, 2013. He is entitled to sitting fees. His appointment as a non-executive, non-independent Director was approved by the shareholders on August 28, 2021 in accordance with the terms of his appointment, he is liable to retire by rotation.
Details of remuneration last drawn	Sitting fees of Rs 4 Lakh paid during the FY 2025-26.
Details of remuneration sought to be paid	Sitting fees as per terms of appointment.
*List of outside Directorships held in listed entities	NIL
Name of listed entities from which the Director has resigned in the past three years	NIL
**Chairman/Member of the Committee of the Board of Directors of other Companies in which he/she is a Director	NIL
Shareholding in the Company	NIL
No. of shares held	
(a) Own	
(b) For other persons on a beneficial basis	
No. of Meetings of the Board attended during the financial year 2025-26 and till the date of the Notice	4/4 (during the financial year 2025-26) <i>One board meeting was held after the financial year end and up to the date of this Notice, at which leave of absence was granted.</i>
Relationship with other Directors, Manager, and other Key Managerial Personnel of the Company	None

*Includes Directorships in listed entities (including debt listed).

**Includes only Audit Committee and Stakeholders’ Relationship Committee.

The Board of Directors recommends the resolution set out in Item No. 3 of the AGM Notice to the Members for their consideration and approval, by way of an Ordinary Resolution.

Save and except Mr. Adar Cyrus Poonawalla and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 3 of the AGM Notice.

ITEM NO. 4

This Explanatory Statement is in terms of Regulation 36(5) of the SEBI Listing Regulations.

The Members are informed that in accordance with the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by Reserve Bank of India (**“RBI Guidelines”**), entities with asset size exceeding ₹ 15,000 Crore will have to get their statutory audit conducted under joint audit of a minimum of two audit firms. Appointment of each auditor can be for a continuous period of three years, subject to the audit firms satisfying the eligibility norms each year as specified in the RBI Guidelines. Post the expiry of the term of 3 (Three) years, the Statutory Auditors shall be eligible for re-appointment only after a cooling period of 6 (Six) years.

In accordance with the requirements of Section 139 of the Companies Act, 2013 (“Act”) read with Rules made thereunder, MSKA and Associates LLP, Chartered Accountants, (Firm Registration No. 105047W/W101187), and Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No.105215W/W100057), act as the Joint Statutory Auditors of the Company.

The terms of appointment of Kirtane & Pandit LLP, Chartered Accountants, as one of the Company’s Joint Statutory Auditors shall expire at the conclusion of the 46th (Forty Sixth) AGM of the Company.

In accordance with the Act, the RBI Guidelines, on the recommendation of the Audit Committee and considering various parameters including size and vintage of the firm, qualification, proficiency and experience of the audit partners, their clientele, industry experience and profile and knowledge in the financial services sector, adequacy of experienced resources and expertise in conducting audits, the

Board of Directors at their meeting held on May 05, 2026 considered, approved and recommended for approval of the Members of the Company, the appointment of B. K. Khare & Co., Chartered Accountants, (Firm Registration Number: 105102W) as the Joint Statutory Auditors of the Company for a period of 3 (Three) years commencing from the conclusion of 46th (Forty Sixth) till the conclusion of 49th (Forty Ninth) AGM of the Company.

Pursuant to the requirements of the Act, B. K. Khare & Co., Chartered Accountants, (Firm Registration Number: 105102W) have confirmed that their proposed appointment would be within the limits prescribed under Section 141 of the Act. They have further affirmed that they are not disqualified from being appointed as Statutory Auditors under the Act and the applicable rules made thereunder and have also confirmed their eligibility in accordance with RBI Guidelines.

Brief Profile: B. K. Khare & Co., Chartered Accountants, established in 1955 is a peer reviewed Practicing Chartered Accountant firm registered with the Institute of Chartered Accountants of India (ICAI) having offices across key cities in India. Firm provides range of services which include comprehensive audit, tax, and consulting services, having more than 71 (Seventy-One) years of experience with clients including large Non-Banking Finance Companies (NBFCs).

Members are requested to note that if appointed, B. K. Khare & Co., Chartered Accountants shall be paid audit fees of ₹ 1,10,00,000/- (Rupees One Crore Ten Lakh Only) including regulatory certificates and professional fees for other certification as may be required, depending on their roles and responsibilities and scope of work, in addition to any out of pocket expenses, outlays and taxes, as applicable.

The scope include issuance of quarterly limited review reports, audit report on financial statements and regulatory certificates and having regard to the efforts and time commitment required for the audit, with power to the Board (including the Audit Committee of the Board or any other person(s) authorized by the Board or Audit Committee in this regard), to do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental for giving effect to the said appointment of the Joint Statutory Auditors, including but not limited to determination of the roles and responsibilities / scope of work of the respective Joint Statutory Auditors, negotiating, finalizing, amending, signing, delivering, executing

the terms of appointment, including any contracts or documents in this regard, alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work, without being required to seek any further consent or approval of the Members of the Company.

In addition, the Company will also be availing non-prohibited certification and other services from them. The remuneration/audit fee payable to the Joint Statutory Auditors, as proposed herein, is commensurate with the scope of work, size and scale of the operations of the Company. The fees for services for other professional work will be in addition to the audit fee as above and will be decided by the Company in consultation with the Joint Statutory Auditors and will be subject to approval by the Board of Directors and / the Audit Committee in the manner as mentioned in the resolution at Item No. 4 of the AGM Notice.

The Board of Directors recommends the resolution set out in Item No. 4 of the AGM Notice to the Members for their consideration and approval, by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out in Item No. 4 of the AGM Notice.

Registered Office:
201 and 202, 2nd Floor, AP81,
Koregaon Park Annex,
Mundhwa,Pune – 411036.
Maharashtra.
Place: Mumbai
Date: May 05, 2026

**By order of the Board of Directors
For Poonawalla Fincorp Limited**

**Sd/-
Shabnum Zaman
Company Secretary
ACS No.: 13918**



POONAWALLA FINCORP LIMITED

CIN: L51504PN1978PLC209007

Registered Office: 201 and 202, 2nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune – 411 036.

Corporate Office: Unit No 2401, 24th floor, Altimus , Dr. G.M. Bhosale Marg, Worli, Mumbai -400018.

Website: www.poonawallafincorp.com ; Phone: 020-67808090 ;

Email: secretarial@poonawallafincorp.com

Name: E-mail id :

Address:.....

DP ID.: Client ID:

Folio No.: Mobile No:

(in case of physical holding)

No of Equity Shares held : Signature of the Member:

[Please Tick (√) whichever is applicable]

Topic	1	2	3	4	5
Annual Report (Contents and Presentation)					
Timely receipt of Annual Report					
Conduct of Annual General Meeting					
Investors Services					
Views / Suggestions if any for improvement					

Rating Scale: 1=Unsatisfactory, 2=Performance needs improvement, 3=Satisfactory, 4=Good Performance, 5=Excellent

Members are requested to send this feedback form through email at secretarial@poonawallafincorp.com or registered office of the Company at 201 and 202, 2nd Floor, AP81, Koregaon Park Annex, Mundhwa, Pune – 411 036.

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POONAWALLA FINCORP LIMITED

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www.poonawallafincorp.com



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